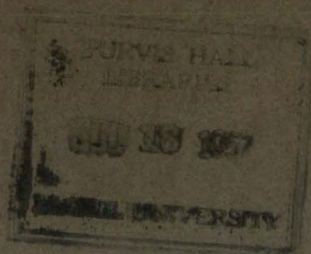


ANNUAL REPORT
— OF THE —
CANADIAN NATIONAL RAILWAY
SYSTEM

FOR THE YEAR ENDED DECEMBER 31, 1925

McGill University
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ANNUAL REPORT

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CANADIAN NATIONAL RAILWAYS

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COLONEL O. E. TALBOT.....	QUEBEC, QUE.
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MR. J. STUART RAYSIDE.....	MONTREAL, QUE.
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MR. NELSON RATTENBURY.....	CHARLOTTETOWN, P.E.I.
MR. R. P. ORMSBY, Secretary, MONTREAL, QUE.	

CANADIAN NATIONAL RAILWAYS

EXECUTIVE, GENERAL AND REGIONAL OFFICERS

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MR. L. V. HUMMEL.....	Assistant to the President.....	MONTREAL
MR. D. E. GALLOWAY.....	Assistant Vice-President.....	MONTREAL
MR. R. A. C. HENRY.....	Director, Bureau of Economics.....	MONTREAL
MR. W. S. THOMPSON.....	Director of Publicity.....	MONTREAL
MR. E. P. MALLORY.....	Director, Bureau of Statistics.....	MONTREAL
MR. H. J. PAGE.....	Director of Investigation.....	MONTREAL

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MR. W. C. CHISHOLM, K.C., General Counsel

MR. D. B. SMITH.....	Assistant to Vice-President and to the General Counsel..	MONTREAL
MR. ALISTAIR FRASER, K.C.....	Commission Counsel.....	MONTREAL
MR. T. WATERSTON.....	General Solicitor.....	MONTREAL
MR. E. E. FAIRWEATHER.....	Solicitor.....	MONTREAL
MR. I. C. RAND.....	Regional Counsel (1926).....	MONCTON
MR. A. J. REID, K.C.....	Regional Counsel.....	TORONTO
MR. J. P. PRATT.....	Assistant Regional Counsel.....	TORONTO
MR. R. H. M. TEMPLE.....	Regional Counsel.....	WINNIPEG
MR. R. W. HANNINGTON.....	Assistant Regional Counsel.....	VANCOUVER
MR. H. R. MARTIN.....	General Attorney.....	DETROIT
MR. T. G. WATSON.....	Tax Commissioner.....	MONTREAL

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MR. A. J. HILLS.....	Assistant to Vice-President.....	MONTREAL
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MR. C. B. BROWN.....	Chief Engineer, Operation Department.....	MONTREAL
MR. C. S. GZOWSKI.....	Chief Engineer, Construction Department.....	MONTREAL
DR. J. ALEX. HUTCHISON.....	Chief Medical Officer.....	MONTREAL
MR. C. E. BROOKS.....	Chief of Motive Power.....	MONTREAL
MR. G. E. SMART.....	Chief of Car Equipment.....	MONTREAL
MR. WALTER PRATT.....	General Manager, Hotels & Sleeping & Dining Cars....	MONTREAL
MR. A. E. CRILLY.....	Chief of Wage Bureau.....	MONTREAL
MR. W. H. KILBY.....	Chief of Forest Protection.....	MONTREAL
MR. W. S. MURPHY.....	General Time Supervisor.....	MONTREAL
MR. W. A. KINGSLAND.....	General Manager.....	WINNIPEG
MR. A. E. WARREN.....	General Manager.....	TORONTO
MR. C. G. BOWKER.....	General Manager.....	DETROIT
MR. W. U. APPLETON.....	General Manager.....	MONCTON
MR. J. R. CAMERON.....	Assistant General Manager.....	VANCOUVER
MR. R. W. SIMPSON.....	Assistant General Manager.....	MONCTON
MR. W. R. DAVIDSON.....	Assistant General Manager.....	DETROIT

PURCHASING AND STORES DEPARTMENT

MR. R. C. VAUGHAN, VICE-PRESIDENT

MR. D. MCK. FORD.....	Assistant to Vice-President.....	MONTREAL
MR. L. LAVOIE.....	General Purchasing Agent.....	MONTREAL
MR. L. C. THOMSON.....	Manager of Stores.....	MONTREAL
MR. G. H. JENKINS.....	General Fuel Agent.....	MONTREAL
MR. A. L. GRABURN.....	Assistant General Fuel Agent.....	MONTREAL
MR. G. P. MACLAREN.....	General Tie & Timber Agent (1926).....	MONTREAL
MR. J. W. CORBETT.....	Purchasing Agent.....	TORONTO
MR. F. H. KINNEAR.....	Purchasing Agent.....	MONCTON
MR. F. W. TISDALE.....	Purchasing Agent.....	WINNIPEG
MR. C. C. LABRIE.....	Purchasing Agent.....	VANCOUVER
MR. GEO. W. CAYE.....	Purchasing Agent.....	DETROIT

CANADIAN NATIONAL RAILWAYS

TRAFFIC AND EXPRESS DEPARTMENT

MR. J. E. DALRYMPLE, VICE-PRESIDENT

MR. G. T. BELL.....	Executive Assistant to Vice-President.....	MONTREAL
MR. J. M. SPARLING.....	Assistant to Vice-President.....	MONTREAL
MR. H. C. MARTIN.....	General Freight Traffic Manager.....	MONTREAL
MR. FRANK J. WATSON.....	Freight Traffic Manager.....	MONTREAL
MR. W. G. MANDERS.....	Freight Traffic Manager.....	WINNIPEG
MR. R. L. BURNAP.....	Freight Traffic Manager.....	CHICAGO
MR. A. T. WELDON.....	Traffic Manager.....	MONCTON
MR. N. W. HAWKES.....	New England Traffic Manager.....	BOSTON
MR. D. O. WOOD.....	Traffic Manager, Foreign Freight Department.....	MONTREAL
MR. H. H. MELANSON.....	General Passenger Traffic Manager.....	MONTREAL
MR. C. W. JOHNSTON.....	Passenger Traffic Manager.....	MONTREAL
MR. R. L. FAIRBAIRN.....	Manager, Passenger Service Bureau.....	MONTREAL
MR. R. CREELMAN.....	Passenger Traffic Manager.....	WINNIPEG
MR. WM. PHILLIPS.....	Manager, Industrial Department.....	MONTREAL
MR. W. C. MUIR.....	General Manager, Express Department.....	MONTREAL

FINANCE DEPARTMENT

MR. D. C. GRANT, VICE-PRESIDENT

MR. C. D. COWIE.....	Assistant to Vice-President.....	MONTREAL
MR. J. M. ROSEVEAR.....	General Comptroller.....	MONTREAL
MR. J. A. YATES.....	General Treasurer.....	MONTREAL
MR. C. E. FRIEND.....	Assistant General Comptroller.....	MONTREAL
MR. H. G. FOREMAN.....	Assistant General Treasurer.....	MONTREAL
MR. T. H. COOPER.....	General Auditor.....	MONTREAL
MR. G. F. ANCRUM.....	Treasurer.....	MONTREAL
MR. W. S. HARRISON.....	General Auditor of Revenues.....	MONTREAL
MR. J. B. McLAREN.....	Comptroller.....	TORONTO
MR. A. C. EGAN.....	Comptroller.....	WINNIPEG
MR. A. E. PLANT.....	Comptroller.....	MONCTON
MR. F. HORTON.....	Auditor.....	DETROIT
MR. F. J. BULLER.....	Treasurer.....	TORONTO
MR. W. LEB. ROSS.....	Treasurer.....	WINNIPEG
MR. B. A. BOURGEOIS.....	Treasurer (1926).....	MONCTON
MR. L. C. GROOM.....	Auditor, Land Department.....	MONTREAL
MR. E. ARNOLD.....	General Freight Claims Agent.....	MONTREAL
MR. J. G. SWALWELL.....	Auditor Express Accounts.....	MONTREAL

DEPARTMENT OF INSURANCE, LANDS, TELEGRAPHS, COLONIZATION, DEVELOPMENT AND GENERAL MATTERS

MR. W. D. ROBB, VICE-PRESIDENT

MR. C. MANNING.....	Assistant to Vice-President.....	MONTREAL
MR. W. G. BARBER.....	General Manager, Telegraph & Telephone Departments.....	TORONTO
DR. W. J. BLACK.....	Director of Colonization, Agriculture and Natural Resources.....	MONTREAL
MR. C. PRICE GREEN.....	Commissioner, Natural Resources.....	MONTREAL
MR. E. A. FIELD.....	Land Commissioner.....	WINNIPEG
MR. A. R. McEWAN.....	Acting Director of Radio.....	MONTREAL
MR. W. D. KEESON.....	Director of Insurance.....	MONTREAL
MR. F. A. BOURNE.....	Superintendent of Pensions and Relief.....	MONTREAL
MR. W. A. BOOTH.....	Director, Safety and First Aid.....	MONTREAL

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MR. R. P. ORMSBY, SECRETARY

MR. HENRY PHILIPS.....	Assistant Secretary.....	MONTREAL
MR. D. R. GUNN.....	Assistant Secretary.....	MONTREAL
MR. F. B. HAYDEN.....	Registrar.....	MONTREAL
MR. M. H. STEVENS.....	Assistant Registrar.....	MONTREAL
MR. W. C. TOMKINS.....	Secretary and Treasurer, Grand Trunk Western.....	DETROIT
MR. H. W. HARDING.....	European Secretary and Comptroller.....	LONDON
MR. A. H. CONEYBEARE.....	Assistant European Secretary.....	LONDON
MR. W. H. HAMMERTON.....	European Registrar.....	LONDON

EUROPEAN TRAFFIC AND COLONIZATION DEPARTMENT

MR. C. J. SMITH, VICE-PRESIDENT

MR. P. A. CLEWS.....	European Traffic Manager.....	
MR. G. M. DIX.....	European Colonization Manager.....	

OFFICE: 17-19 COCKSPUR STREET, LONDON, S.W.1, ENGLAND

This list includes changes made since December 31st, 1925.

CANADIAN NATIONAL RAILWAYS

Montreal, Que., March 31st, 1926.

To the Honourable Charles A. Dunning, M.P.,
Minister of Railways and Canals.

Sir:—

I have the honour to submit herewith, on behalf of the Board of Directors, the report of the operation and affairs of the Canadian National Railway System for the year ended December 31st, 1925.

MILEAGE

	Miles Owned by Constitu- ent Companies	Miles Under Lease or Contract	Miles Under Trackage Rights	Total Mileage
Atlantic Region.....	2,571.51	224.78	15.64	2,811.93
Central Region.....	7,161.50	452.23	32.29	7,646.02
Grand Trunk Western Lines.....	841.81	123.67	26.21	991.69
Western Region.....	10,257.60	430.55	53.98	10,742.13
	20,832.42	1,231.23	128.12	22,191.77
Total Steam Operated Lines making up "System Mileage".....				22,191.77

Certain details are shown at the end of this report.

OPERATING RESULTS

The operating results for the year are shown in the following summary, which compares the principal items of revenue and expenses with the corresponding items for the previous year:—

	Revenue		Increase or Decrease	
	1925	1924		
Freight.....	\$180,482,543.54	\$171,045,297.89	Inc.	\$9,437,245.65
Passenger.....	36,618,481.66	37,233,998.44	Dec.	615,516.78
Mail.....	3,554,200.23	3,595,261.61	Dec.	41,061.38
Miscellaneous.....	24,315,977.18	23,713,624.61	Inc.	602,352.57
Total.....	\$244,971,202.61	\$235,588,182.55	Inc.	\$9,383,020.06

	Expenses		Increase or Decrease	
	1925	1924		
Maintenance of W. & S.....	\$43,006,813.70	\$44,039,965.51	Dec.	\$1,033,151.81
Maintenance of Equipment.....	47,902,092.16	47,972,444.24	Dec.	70,352.08
Traffic.....	6,726,472.90	6,892,751.22	Dec.	166,278.32
Transportation.....	106,477,437.08	110,085,033.62	Dec.	3,607,596.54
Miscellaneous Operations.....	2,253,050.54	2,381,469.56	Dec.	128,419.02
General.....	7,223,773.87	7,633,834.05	Dec.	410,060.18
Transportation for Investment Credit...	882,852.43	661,567.13	Inc.	221,285.30
Total.....	\$212,706,787.82	\$218,343,931.07	Dec.	\$5,637,143.25
Net Earnings.....	\$32,264,414.79	\$17,244,251.48		\$15,020,163.31
Operating ratio.....	86.83	92.68		

CANADIAN NATIONAL RAILWAYS

The results for 1925 may be regarded as generally satisfactory and were due to a combination of increased gross earnings and decreased expenses. From January to June inclusive, the gross earnings in 1925 were less than for the corresponding months in 1924, and it was not until the end of October, 1925, that the gross revenue overtook the figures for 1924. The movement of the large western crop made itself felt towards the end of the year with a consequent increase in gross revenue of 3.9% for the year. In the face of the decreased business which obtained during the greater part of 1925, every effort in the direction of economy was put forth and maintained throughout the whole of the year. These efforts resulted in a decrease in expenses for the year of \$5,637,143.25, or 2.5%.

A reduction in operating ratio from 92.68% in 1924 to 86.83% in 1925 is especially gratifying. It is also interesting to note that the net operating earnings were approximately equal to 80% of the interest payable to the public on funded debt as compared with about 45% in 1924.

RAILWAY OPERATING REVENUES

Account 110—"Switching"

The increase of \$390,484.47 is to a great extent represented by the increase in switching traffic due to larger movement of business from connections.

MAINTENANCE OF WAY AND STRUCTURES

Expenses chargeable to maintenance of way and structures were less by \$1,033,151.81 than in 1924 and represent an expenditure of \$1,960.51 per mile of line. Notwithstanding this reduction, the properties were not only maintained in good physical condition but, generally speaking, material improvement was made.

MAINTENANCE OF EQUIPMENT

These expenses were substantially the same as in 1924, the net result being a decrease of \$70,352.08. The condition of the motive power and freight and passenger car equipment was not only fully maintained, but substantially improved during the year.

Accounts 310 and 316 (that is to say "Retirements") represent increases due to the larger number of locomotives and freight cars retired in 1925 than in 1924.

TRANSPORTATION EXPENSES

This item shows a gratifying improvement, and progressive decreases are indicated. The situation reflects continued operating efficiency especially when it is remembered that there was an increase of over 2,500,000 tons of freight handled. The transportation expenses (in cents per dollar of gross revenue) for the last four years are as follows:—

1922.....	48.57
1923.....	47.18
1924.....	46.73
1925.....	43.46

FINANCE

In the Appropriation Act for 1925 the sum of \$50,000,000 was voted for Canadian National purposes during the (Dominion) fiscal year ending March 31st, 1926. It has only been necessary to obtain \$10,000,000 of this amount from the Government. Payment of the balance has not been required, partly because of increased resources due to larger gross and net earnings than were expected, and partly as a result of substantial reductions in the purchase of materials and supplies, also partly by use of working capital.

In February, 1925, there were issued \$17,000,000 Canadian Northern 4½% 10-year Guaranteed Gold Bonds and \$18,000,000 Canadian National 4½% 5-Year Guaranteed Gold Bonds. The \$17,000,000 issue was practically speaking a refunding of two Canadian Northern issues, namely, \$6,000,000 which matured in December, 1924, and \$11,000,000 which matured in March, 1925.

The \$18,000,000 issue was for various new branch lines throughout Canada, the construction of which had been authorized by Parliament; also for expenditures in connection with the Toronto viaduct scheme.

The Funded Debt Retirements during the year were:—

5% Three-Year Canadian Northern Railway Guaranteed Gold Notes.....	\$11,000,000.00
Equipment Trust Certificates of various issues.....	5,473,400.00
Payments under various Sinking Funds and Sundry Retirements.....	1,110,380.06
Total.....	<u>\$17,583,780.06</u>

CANADIAN NATIONAL RAILWAYS

INCOME ITEMS

Account 514—"Income from Funded Securities"

The increase in this account is largely represented by interest on Toronto Terminal Railway bonds purchased in connection with the Toronto viaduct scheme.

Account 515—"Income from Unfunded Securities and Accounts"

The increase in the above account results from special items as follows:—

Interest during construction charged to Investment Account.

Interest on bank balances and on special deposits and on amounts due by the Central Vermont and subsidiary companies.

Account 516—"Income from Sinking and Other Reserve Funds"

The increase is mainly due to natural increases in the funds included under this heading and partly to interest on special funds similarly included.

Account 519—"Miscellaneous Income"

The average rate of sterling exchange in 1925 was substantially higher than in 1924. This caused a decrease in the above account of approximately \$1,093,000 in connection with the purchase of sterling funds for the payment of interest in London. There was also a decrease of \$100,000 on transfers from the United States to Canada, in addition to which there was a reduction of \$250,000 in surcharge collections due to Canadian currency being more on a parity with United States currency during 1925.

Account 547—"Interest on Unfunded Debt"

About \$124,000 of the decrease arises from a change in accounting methods; in addition to which there was included in 1924 under this heading \$80,000 interest on a temporary loan for which there was no corresponding item in 1925.

Account 551—"Miscellaneous Income Charges"

The decrease of about \$550,000 is chiefly accounted for by \$504,000 decreased exchange paid on transfers of funds from Canada to United States; and partly by a decrease of \$48,000 resulting from various charges which in 1924 were included in the above account, but which under an Interstate Commerce Commission ruling are now included in Account 460—"Other Expenses."

Account 546—"Interest on Funded Debt"

Full details of this item are shown later on in the report.

The difference of \$2,076,531 is made up of an increase in interest payable in 1925 on issues made in that year and the previous year, less interest on securities matured and paid off in both years.

PURCHASING AND STORES

Expenditures on this account were considerably less in 1925 than in 1924. During the year there was but little fluctuation in the price of materials. A determined effort was made to reduce stocks by close supervision and the development of improved methods. The quantities of materials and supplies on hand, including ties, fuel, rails and so forth, at the end of the year amounted to \$7,876,460.79 less than in 1924.

Salvage and reclamation work is proceeding with increasing vigour and gratifying results.

CANADIAN NATIONAL RAILWAYS

TRAFFIC MOVEMENT

There were increases during the year of 4.8% in freight tonnage carried; of 1.34% in freight train mileage; and of 5.5% in freight revenues as compared with the figures for 1924.

These indicate that the freight was higher rated and longer hauled in 1925 than in 1924. The ratio of increase in freight revenue compares favourably with that of class 1 roads in the United States.

Average freight train loads in revenue tons for the years 1922-1925 show a steady improvement:—

1922.....	475.39
1923.....	501.94
1924.....	516.83
1925.....	540.06

The Dominion Government estimate for all grains in the Canadian grain crop for the calendar year 1925 was 1,126,113,100 bushels, an increase of 33.5%. The grain movement to the head of the lakes showed an increase of about 9.9%. On the other hand the amount of grain moved from lower lake ports showed a decrease of 10.6%. This decrease was, approximately speaking, evenly divided between domestic and export traffic. The amount of Canadian grain handled showed a decrease in the amount retained for domestic purposes and an increase in the amount exported; this being due to the short crop in 1924. The amount of American grain handled showed a decrease in the amount exported and an increase in the amount retained for domestic use. This was due to the smaller wheat crop in 1925.

The volume of grain carried to Vancouver, practically all of which was for export, showed a decrease of 19.7% and is accounted for by the small crop in 1924. The movement to Vancouver of the 1925 crop shows an increase of approximately 9,000,000 bushels.

Passenger earnings decreased by \$615,516.78 (1.6%) as compared with 1924 earnings. The number of passengers carried showed a decrease of 1,032,641 (4.5%). This indicates a preponderance of long haul traffic. The decrease in short haul traffic is no doubt due to general business depression during the earlier months of the year and also to motor bus competition which has increased considerably.

Regulations issued by the Department of Agriculture at Ottawa prohibited the entering into or passing through Canada of live stock including poultry or products thereof, also hay, fodder, etc., from certain sections of the United States during part of the year, the effect of which was a decrease in the volume of this class of business handled by our lines.

The express revenue for the year was practically speaking the same as for 1924, but the cost of service (item 409) was decreased by \$251,000 with corresponding increase in net express earnings. This traffic was affected to a considerable extent by the general depression, motor truck competition, expedited L.C.L. freight service, parcel post extension of weight limit and reduction in rates, and partial failure of fruit crop in Niagara district.

RATES

Freight revenues were adversely affected by the reinstatement by order-in-council as of January 9th, of the "Crow's Nest Rates" which remained in effect till July 23rd when they were cancelled by order of the Board of Railway Commissioners for Canada, excepting in so far as such rates applied to the carrying of grain and grain products.

Freight revenues were similarly affected by an order of the same board made in September under which rates on grain and grain products to Vancouver for export were established on the basis applicable eastbound (on the Crow's Nest Rates basis) to the head of the lakes.

INDUSTRIAL DEVELOPMENT

The work of the Industrial Department has been carried on to the greatest extent possible, with the result that on the Central, Atlantic and Grand Trunk Western Regions there were located on or near our lines over 250 plants representing investments to the extent of many millions of dollars, in addition to which very substantial extensions were made to plants already located on our lines.

The industrial development taking place in the Chicoutimi and Lake St. John district is remarkable. An enormous amount of electrical power is being developed for use by existing and new manufacturing concerns. The Duke-Price Company is expected to develop at Isle Maligne and Chute à Caron over 1,250,000 h.p. The works in contemplation by the Aluminum Company involve the building of a new town—Arvida—which it is expected will have a population of 25,000 people within a comparatively short time. The very large expenditures involved in this development and the expected permanent employment of a large body of workers should have a present and far-reaching future effect in the Province of Quebec in regard to general business and more particularly the pulp and paper and mining industries.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION

During the year 1925, 331 miles of new lines were completed and turned over for operation. The construction of 523 miles had been authorized in 1924 and of 94 miles in 1925.

Additions to operated mileage

	Miles
aggregated	378.08
as against which there were deductions of	58.50
leaving a net increase of	<u>319.58</u>

WAGES AND LABOUR

In the last report reference was made to the adoption in our Moncton shops of the co-operative plan. The initial results have been so satisfactory that the plan has been extended to shops in Transcona, Fort Rouge, Stratford, London, Leaside, St. Malo and Point St. Charles.

It may be interesting to note that out of 1,187 recommendations made at various regional meetings under the plan 857 were adopted, 123 were dropped and 207 were left "pending."

The plan has also been adopted by the Chesapeake & Ohio and the Chicago & Northwestern Railways. At a meeting recently held in New York at which representatives of officials and employees of various railways were present, it was evident that the plan has found as much favour with individual employees as with shop superintendents.

The year has been free from labour troubles. An additional board of adjustment was created covering certain clerks, freight handlers, station and baggage room employees, stores, roundhouse and shop labourers, under which grievances, matters regarding working conditions, etc., can be dealt with.

An agreement was reached with locomotive engineers, firemen, and helpers on all lines east of Armstrong, Port Arthur, and Detroit River, including St. Clair Tunnel and New England Lines, under which certain inconvenient conditions regarding employment will, it is expected, be eliminated. On some of the lines in United States territory there were adjustments of rates of pay for certain classes of employees, in line with corresponding adjustments previously placed in effect by other United States railways.

HOTEL DEPARTMENT

The operations of this department have been satisfactory. Gross revenues for the year increased by approximately \$210,000.00 which, coupled with a slight reduction in expenses, reduced the net loss from \$297,938.20 in 1924 to \$76,365.55 in 1925. With increased tourist traffic and general improvement in business conditions during the current year it is anticipated that further improvement will be shown.

LAND SALES

During the greater part of the past year general business conditions did not tend to encourage sales. It is, however, expected that during the present year better business prospects will result in a larger number of sales and the receipt of better prices per acre.

In 1925 there were sold 66,667 acres at an average price of \$14.25 per acre, aggregating \$950,375, as compared with 55,450 acres sold in 1924 at an average of \$14.29 per acre. Purchase contracts representing 36,005 acres were cancelled in 1925 as compared with cancellations of 39,295 acres in 1924.

IMMIGRATION

The flow of immigration to Canada during the year was less than had been anticipated; but organization work has been carried on and extended, having in view future business.

In the Fall of last year an agreement was made between the Dominion Government and the Canadian Pacific and Canadian National Railways under which for a two-year period both railway systems have the right to bring into Canada from various European countries immigrants suitable for permanent settlement and intending to engage in agricultural work or domestic service, the expectation being that increased numbers of such immigrants will come from Central European countries under arrangements less restrictive than have obtained in the past.

In December last arrangements were made between the Imperial and the Dominion Governments under which British subjects born and resident in Great Britain who desire to settle on lands or enter domestic service in Canada, will receive reductions in ocean rates from a British port to Canadian points, as a result of which the rates to Halifax, Saint John and Quebec would be £3; and to Vancouver £9—with corresponding rates to intermediate points; the balance of transportation costs to be partly made up by the two Governments and partly absorbed by the steamship companies. The arrangement, which will be in effect till the end of 1926, includes special rates for families and minors. The railway companies have undertaken to assist in the settlement of a limited number of experienced farm workers.

CANADIAN NATIONAL RAILWAYS

INSURANCE

The policy inaugurated in 1923, under which the company handles its own insurance, continues to be amply justified. The insurance fund has been increased by \$1,561,300 during the year, and represents the capital sum of \$6,504,488, all of which is invested in victory bonds and other first class securities.

Fire losses on railway properties during the year amounted to \$675,646 as compared with \$420,000 in 1924. The more serious losses included the following:—

Minaki Inn.....	\$142,000
Planing Mills, St. Malo.....	80,000
Engine House, at Bridgewater.....	77,000
Storehouse, at Leaside.....	52,000

The marine losses amounted to \$467,539 as compared with \$447,170 in 1924.

Instead of rebuilding the Minaki Inn on the same lines as before, the reconstruction will follow the Jasper Park separate buildings plan, which involves a smaller fire risk and, on the other hand, appeals to those in search of rest and change, as well as being more in keeping with the natural surroundings.

PENSION SCHEME

The actuarial report on the cost of a non-contributory general pension scheme which would embrace the whole system has recently been received and it is hoped that during the year a comprehensive plan will be ready for final consideration.

The following employees, with fifty or more years of service, were placed on pension during the year, and their records furnish a fine testimonial to the fidelity and loyalty with which they have served the company for more than half a century. The best wishes of the company are extended to them for a long and well merited period of retirement:—

Anscombe, G.....	50	Dubuc, N.....	54	Mullins, W. J.....	55
Armstrong, W.....	55	Gillelan, J. S.....	52	Neil, A. E.....	55
Battley, J.....	51	Graves, E.....	60	Payette, F.....	53
Belsom, W.....	53	Jackson, J.....	53	Pender, L.....	50
Brinton, G.....	53	Johnston, F. A.....	52	Roper, F. F.....	54
Campbell, J.....	52	Laing, J.....	53	Slattery, J.....	51
Carney, A.....	53	Lambert, J.....	51	Storey, J.....	52
Charbonneau, F. X.....	51	McConachie, R.....	50	Turton, J. A.....	52
Corner, J. S.....	52	McMurdie, J. H.....	57	Vivian, J.....	51
Deschenes, J. A.....	52	Mellon, G.....	53	West, R.....	50

OIL ELECTRIC CAR

In an endeavour to minimize or avoid losses in operating branch lines and short special runs and for the purpose of reducing fuel costs as well as meeting competition from motor bus service, special attention has for some time been given, particularly by the Motive Power Department, to the development of a suitable self-propelled car, with the result that during the year an "Oil Electric" car was evolved. The electrical running power is produced by a light fuel oil engine which operates an electric generator. Two sizes of cars have been built, one with accommodation for 56 passengers and baggage, and the other for 126 passengers and baggage; the power in the larger car being sufficient to haul a trailer.

After exhaustive tests and trial runs were made, a special test was thought advisable from Montreal to Vancouver, and on Sunday, November 1st, Oil Electric car No. 15820, suitably modified for long distance traffic, left Montreal, reaching Vancouver on Wednesday the 4th in just under seventy-two hours; the actual running time being sixty-seven hours.

The ability of the engine to produce and maintain speed, and the low fuel consumption cost, seem to warrant the belief that an exceedingly useful transportation unit has been developed.

CANADIAN NATIONAL RAILWAYS

BETTERMENTS

The betterments made during the year include work in connection with the following: new terminal facilities at North Sydney; completion of sheds 21 and 22 of the Ocean Terminals at Halifax; additional electrification (9.7 miles) and double tracking of (3.3 miles) of the line from Lazard westerly on the Mount Royal subdivision; the Toronto viaduct scheme; improvements in and about Detroit; subway at 101st Street, Edmonton; new station at Jasper and improvements to the Park Lodge properties; improved water facilities at Nutana, Saskatchewan, as well as laying of new rails, improvements to bridges and other work. Some additional work has been done on the Prince Edward Island line in connection with the standardization of gauge.

ROUYN LINE

The management and operation of a forty-five mile line of railway from O'Brien on the National Transcontinental Railway in a generally southerly direction into the Rouyn district has been entrusted to the Canadian National Railway Company by the Dominion Government, which has itself taken a lease of the line. Construction has been proceeding steadily through the winter and will, it is hoped, be completed by the end of the year. In view of the expectation that the Rouyn district will become an important mining centre, it is expected that considerable traffic will result to the National Railways and that the territory adjacent to the line, much of which is suitable for agricultural purposes, will be developed.

GENERAL

The problem of immigration continues to be one of the largest single difficulties which confront the Dominion as a whole. Interest in the subject has been abundantly shown during the past year by board of trade meetings and special conferences at various points. Much progress has been made by the individual and co-operative efforts of the Government, the Canadian Pacific Railway and the Canadian National Railways, but, before permanent results on a desired scale can be expected, more definite and comprehensive action on the lines referred to in the annual report for 1924, or otherwise, must be taken to provide a programme for prosecuting the work over a period of years. It has been thought worth while to repeat the statement made in the annual report referred to:—

“The Dominion as a whole, the provinces individually, the railways and all other business organizations are, each of them, interested. The problem is of sufficient magnitude and importance to justify in its solution the employment of the most capable and energetic minds in the Dominion. The investment of money on a larger scale than in the past will also be required. The matter might be entrusted to a permanent commission constituted somewhat on the lines of the Board of Railway Commissioners, except that more commissioners would doubtless have to be appointed; and this Immigration Commission would have to be authorized to make expenditures under a general programme approved by Parliament.”

During the year a searching examination of the company's financial structure has been under way. The task has proved of much greater magnitude than was expected, due largely to the complicated character of records, the large number of securities involved, and the difficulty of unravelling financial data relating to most of the constituent companies. The work is being performed effectively and it is expected that, during the current year, definite proposals having for their object the placing of the company's finances on a sound and permanent basis will be presented.

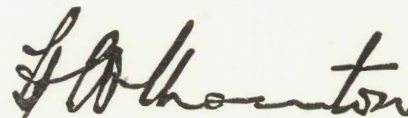
The board of directors and, under them, the various officers of the company, are charged with the responsibility of operating the property in a manner which will, while having due regard for the welfare of the Dominion as a whole and the communities served, eventually produce operating results which will meet such fixed charges as may subsequently be determined, and relieve the government with the people of Canada from further financial burdens. Material progress has been made in this direction as shown by a comparison of the net results for 1925 with those of 1922. This improvement has been accompanied by no deterioration in service or unfair treatment of employees. Whilst the board recognizes the importance, —indeed the necessity—of such freight rates as will permit all sections of the Dominion to progress, at the same time it must be clearly understood that reductions in tolls, either freight, passenger or express, which have the effect of reducing the company's gross revenue, cannot be accompanied by a continued increase in net income, and every such reduction will postpone the day when the Canadian National Railways will become self-supporting. If such reductions reach sufficient proportions, the task of accomplishing this

CANADIAN NATIONAL RAILWAYS

desired result will become insuperable. Should substantial reductions in freight rates be essential for the well-being and development of any section of the Dominion, relief should take the form of a governmental subsidy without disturbance of a reasonable tariff fabric. The employment of such a method permits a precise determination of the cost of the relief without the introduction of factors which might well disturb the whole freight rate structure of Canada, and, indeed, the North American continent. The effect on the public purse is precisely the same no matter what method is employed. If such a policy should be adopted, obviously any subsidy should be available for all of the railway companies of Canada.

In an organization of such magnitude as the Canadian National Railways, the general results from the operations of any year depend not only on the efforts of those officers whose names appear in the report, but also upon the joint and individual support rendered by all of the employees. The successful results for the year are very largely due to the fine spirit displayed by all of our employees which, coupled with their loyalty and enthusiasm, has enabled the administration to show a marked improvement. It is, therefore, eminently fitting here to record the appreciation of the administration and to extend especial thanks to that fine and capable body of employees who are giving their best service to the people of Canada.

Recognition must also be made of such organizations as the Volunteer Fire Brigades, the St. John Ambulance Society, and other associations which, in their various spheres, contribute materially to the welfare of the property.

A handwritten signature in dark ink, appearing to read "L. A. Houston". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Chairman and President.

CANADIAN NATIONAL RAILWAYS

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CANADIAN NATIONAL

(EXCLUDING THE CENTRAL

CONSOLIDATED BALANCE SHEET

ASSETS		
INVESTMENTS:		
701 Investment in Road and Equipment.....	\$1,855,037,567.94	
702 Improvements on Leased Railway Property.....	6,291,279.95	
703 Sinking Funds:		
System Securities at Par.....	\$5,064,000.00	
Other Assets at Cost.....	4,310,042.05	9,374,042.05
704 Deposits in Lieu of Mortgaged Property Sold.....	6,347,556.01	
705 Miscellaneous Physical Property.....	53,912,609.77	
706 Investments in Affiliated Companies:		
"A" Stocks.....	2,037,129.30	
"B" Bonds.....	15,526,840.45	
"C" Notes.....	8,041,905.52	
"D" Advances.....	11,536,778.68	37,142,653.95
707 Other Investments.....	7,700,325.67	\$1,975,806,035.34
CURRENT ASSETS:		
708 Cash.....	31,677,083.99	
711 Special Deposits.....	7,590,398.26	
712 Loans and Bills Receivable.....	55,134.89	
713 Traffic and Car-Service Balances Receivable.....	1,907,089.26	
714 Net Balances Receivable from Agents and Conductors.....	5,212,603.97	
715 Miscellaneous Accounts Receivable.....	5,759,298.20	
716 Materials and Supplies.....	42,582,983.87	
717 Interest and Dividends Receivable.....	405,668.44	
718 Rents Receivable.....	225,935.30	
719 Other Current Assets.....	146,008.19	95,562,204.37
DEFERRED ASSETS:		
720 Working Fund Advances.....	643,618.10	
721 Insurance and Other Funds—Railway and C.G.M.M.....	7,382,223.74	
722 Other Deferred Assets.....	8,552,209.75	16,578,051.59
UNADJUSTED DEBITS:		
723 Rents and Insurance Premiums Paid in Advance.....	25,181.04	
724 Discount on Capital Stock.....	193,500.00	
725 Discount on Funded Debt.....	5,518,332.75	
727 Other Unadjusted Debits.....	4,984,192.40	10,721,206.19
		<u>\$2,098,667,497.49</u>

NOTE:—The title of the Canadian Northern Ontario Railway and the Canadian Northern Quebec Railway Companies to lands carried in "Miscellaneous Physical Property" at \$7,318,140 has been questioned by the Ontario and Quebec Provincial Governments.

RAILWAY SYSTEM

VERMONT RAILWAY)

AT DECEMBER 31, 1925

LIABILITIES		
STOCK:		
751 Capital Stock.....	\$270,228,413.70	
752 Stock Liability for Conversion.....	10,600.00	\$270,239,013.70
GOVERNMENTAL GRANTS:		
754 Grants in Aid of Construction.....		16,280,820.43
LONG TERM DEBT:		
755 Funded Debt Unmatured.....	931,329,302.74	
DOMINION OF CANADA ACCOUNT:		
Funded Debt Unmatured.....	\$33,048,000.00	
Receiver's Certificates.....	53,768,865.94	
Loans from Dominion of Canada.....	485,868,669.13	
	572,685,535.07	
Interest on above accrued but unpaid.....	161,861,502.98	
Appropriations Account Canadian Government Railways.....	453,935,303.43	1,188,482,341.48
		2,119,811,644.22
CURRENT LIABILITIES:		
758 Loans and Bills Payable.....	8,500.00	
759 Traffic and Car-Service Balances Payable.....	4,393,308.32	
760 Audited Accounts and Wages Payable.....	16,229,955.40	
761 Miscellaneous Accounts Payable.....	3,252,392.41	
762 Interest Matured Unpaid.....	6,582,089.58	
764 Funded Debt Matured Unpaid.....	419,729.81	
766 Unmatured Interest Accrued.....	8,603,066.12	
767 Unmatured Rents Accrued.....	441,163.52	
768 Other Current Liabilities.....	929,449.84	40,859,655.00
DEFERRED LIABILITIES:		
769 Liability for Provident Funds.....	44,122.23	
770 Other Deferred Liabilities.....	11,161,306.98	11,205,429.21
UNADJUSTED CREDITS:		
771 Tax Liability.....	2,815,354.25	
773 Insurance and Casualty Reserves—Railway and C.G.M.M.....	7,256,762.32	
775 Accrued Depreciation—Road.....	2,116,341.56	
776 Accrued Depreciation—Equipment.....	5,121,897.39	
777 Accrued Depreciation—Miscellaneous Physical Property.....	700,473.99	
778 Other Unadjusted Credits.....	2,824,284.75	20,835,114.26
CORPORATE SURPLUS:		
779 Additions to Property through Income and Surplus.....	1,700,832.62	
780 Funded Debt Retired through Income and Surplus.....	939,000.00	
781 Sinking Fund Reserves.....	534,140.42	
783 Appropriated Surplus.....	1,973,888.04	
784 Profit and Loss—Balance..... Deficit	385,712,040.41	380,564,179.33
		\$2,098,667,497.49

J. M. ROSEVEAR,
General Comptroller.

We have examined the books and records of the Companies comprising the Canadian National Railway System for the twelve months ended the 31st December, 1925. The investments in Road and Equipment appearing in the books of the Companies as at the 1st January, 1923, were accepted by us.

We certify that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the affairs of the System, excluding the Central Vermont Railway Company, as at the 31st December, 1925, and we further certify that, in our opinion, the attached Income and Profit and Loss Accounts for the year ended the 31st December, 1925, are correctly stated.

GEORGE A. TOUCHE & Co.,
Chartered Accountants,
Auditors.

20th March, 1926.

CANADIAN NATIONAL RAILWAYS

PROFIT AND LOSS ACCOUNT, 1925

DEBITS:

611 Debit Balance at January 1st, 1925.....	\$344,060,770.94
612 Debit Balance transferred from Income.....	41,444,764.42
613 Surplus applied to Sinking and Other Reserve Funds.....	16,691.89
615 Surplus appropriated for Investment in Physical Property.....	39,525.33
618 Miscellaneous Appropriations of Surplus.....	174,933.90
619 Loss on Retired Road and Equipment.....	863,951.23
622 Adjustment of Land Surplus Account.....	207,886.41
	\$386,808,524.12

CREDITS:

603 Profit on Road and Equipment Sold.....	\$ 18,043.69
604 Delayed Income Credits and Debits, Net.....	840,728.40
605 Unrefundable Overcharges.....	16,473.90
606 Donations.....	146,574.62
607 Miscellaneous Credits and Debits, Net.....	74,663.10
Debit balance forward to Balance Sheet.....	385,712,040.41
	\$386,808,524.12

CANADIAN NATIONAL RAILWAYS

INCOME STATEMENT

	Year Ending December 31, 1925	Year Ending December 31, 1924
501 Railway Operating Revenues.....	\$244,971,202.61	\$235,588,182.55
531 Railway Operating Expenses.....	212,706,787.82	218,343,931.07
Net Revenue from Railway Operations.....	\$32,264,414.79	\$17,244,251.48
532 Railway Tax Accruals.....	\$4,224,033.58	\$4,588,593.56
533 Uncollectible Railway Revenues.....	59,163.36	38,198.09
Railway Operating Income.....	\$27,981,217.85	\$12,617,459.83
502 Revenues from Miscellaneous Operations.....	\$2,010,800.95	\$2,015,458.20
534 Expenses of Miscellaneous Operations.....	2,041,189.12	2,337,622.84
Net Revenue from Miscellaneous Operations.....	\$30,388.17	\$322,164.64
535 Taxes on Miscellaneous Operations.....	73,486.99	60,278.17
Total Operating Income.....	\$27,877,342.69	\$12,235,017.02
504 Rent from Locomotives.....	\$ 259,928.36	\$ 318,575.13
505 Rent from Passenger Train Cars.....	177,662.76	145,541.10
506 Rent from Floating Equipment.....	337.30	919.79
507 Rent from Work Equipment.....	317,012.33	487,619.96
508 Joint Facility Rent Income.....	1,019,689.11	994,988.58
509 Income from Lease of Road.....	83,040.50	85,698.56
510 Miscellaneous Rent Income.....	1,201,059.70	1,158,333.52
511 Miscellaneous Non-Operating Physical Property.....	192,138.58	165,128.45
512 Separately Operated Properties—Profit.....	1,179,057.22	1,044,876.27
513 Dividend Income.....	386,958.91	454,613.00
514 Income from Funded Securities.....	673,193.47	572,872.50
515 Income from Unfunded Securities and Accounts.....	2,055,955.35	1,538,573.10
516 Income from Sinking and Other Reserve Funds.....	634,785.17	519,739.15
519 Miscellaneous Income.....	221,225.58	1,650,392.79
Total Non-Operating Income.....	\$8,402,044.34	\$9,137,871.90
Gross Income.....	\$36,279,387.03	\$21,372,888.92
536 Hire of Freight Cars—Debit Balance.....	\$1,718,372.07	\$1,694,487.26
537 Rent for Locomotives.....	27,125.51	54,016.00
538 Rent for Passenger Train Cars.....	353,854.10	145,526.74
539 Rent for Floating Equipment.....	21,748.16	8,944.29
540 Rent for Work Equipment.....	5,672.08	5,492.53
541 Joint Facility Rents.....	683,544.04	933,503.27
542 Rent for Leased Roads.....	1,276,119.89	1,452,709.02
543 Miscellaneous Rents.....	88,426.63	75,609.51
544 Miscellaneous Tax Accruals.....	162,061.57	124,477.33
545 Separately Operated Properties—Loss.....	759,059.63	802,470.03
546 Interest on Funded Debt.....	40,438,235.34	38,361,704.14
546A Interest on Dominion Government Advances.....	31,450,381.89	31,271,043.00
547 Interest on Unfunded Debt.....	109,025.87	377,115.47
548 Amortization of Discount on Funded Debt.....	514,024.12	317,671.51
551 Miscellaneous Income Charges.....	58,894.11	608,538.04
Miscellaneous Appropriations of Income.....	57,606.44	—
Total Deductions from Gross Income.....	\$77,724,151.45	\$76,233,308.14
Net Income Deficit.....	\$41,444,764.42	\$54,860,419.22

CANADIAN NATIONAL RAILWAYS

RAILWAY OPERATING REVENUES AND EXPENSES

	Year Ending December 31, 1925	Year Ending December 31, 1924
RAILWAY OPERATING REVENUES:		
101 Freight.....	\$180,482,543.54	\$171,045,297.89
102 Passenger.....	36,618,481.66	37,233,998.44
103 Excess baggage.....	231,255.70	255,433.14
104 Sleeping Car.....	1,952,221.20	1,793,096.14
105 Parlor and Chair Car.....	277,529.51	305,162.69
106 Mail.....	3,554,200.23	3,595,261.61
107 Express.....	13,316,773.17	13,316,628.94
108 Other Passenger-Train.....	110,053.78	143,494.01
109 Milk.....	429,399.66	455,759.51
110 Switching.....	2,952,959.18	2,562,474.71
111 Special Service Train.....	65,386.16	72,888.87
113 Water Transfers—Freight.....	—	1,251.29
114 Water Transfers—Passenger.....	3,992.20	7,384.70
115 Water Transfers—Vehicles and Live Stock.....	16,367.67	3,602.00
116 Water Transfers—Other.....	621.50	1,455.50
131 Dining and Buffet.....	1,420,097.56	1,397,477.27
132 Restaurant.....	73,597.72	137,547.40
133 Station, Train and Boat Privileges.....	171,905.07	161,549.99
134 Parcel Room.....	110,396.25	111,407.91
135 Storage—Freight.....	190,421.59	170,813.40
136 Storage—Baggage.....	51,050.27	60,737.76
137 Demurrage.....	672,685.34	647,335.09
138 Telephone and Telegraph.....	2,559.40	2,170.09
139 Grain Elevators.....	502,988.19	438,413.65
140 Stockyards.....	—	5,213.78
142 Rents of Buildings and Other Property.....	302,493.10	250,876.61
143 Miscellaneous.....	1,538,415.39	1,475,582.85
151 Joint Facility—Credit.....	17,436.90	30,733.58
152 Joint Facility—Debit.....	94,629.33	94,866.27
Total Operating Revenues.....	\$244,971,202.61	\$235,588,182.55
RAILWAY OPERATING EXPENSES:		
Maintenance of Way and Structures.....	\$43,006,813.70	\$44,039,965.51
Maintenance of Equipment.....	47,902,092.16	47,972,444.24
Traffic.....	6,726,472.90	6,892,751.22
Transportation.....	106,477,437.08	110,085,033.62
Miscellaneous Operations.....	2,253,050.54	2,381,469.56
General.....	7,223,773.87	7,633,834.05
Transportation for Investment—Credit.....	882,852.43	661,567.13
Total Operating Expenses.....	\$212,706,787.82	\$218,343,931.07

CANADIAN NATIONAL RAILWAYS

RAILWAY OPERATING EXPENSES

	Year Ending December 31, 1925	Year Ending December 31, 1924
MAINTENANCE OF WAY AND STRUCTURES:		
201 Superintendence.....	\$ 3,088,890.28	\$ 3,023,317.09
202 Roadway Maintenance.....	4,155,070.28	3,965,740.73
206 Tunnels and Subways.....	54,377.79	34,036.63
208 Bridges, Trestles and Culverts.....	3,274,666.16	3,101,788.24
212 Ties.....	7,109,284.39	6,814,905.25
214 Rails.....	2,739,682.38	3,676,122.51
216 Other Track Material.....	2,067,095.59	1,961,999.13
218 Ballast.....	487,260.19	426,280.21
220 Track Laying and Surfacing.....	11,471,947.68	11,443,053.17
221 Right of Way Fences.....	444,485.64	414,150.94
223 Snow and Sand Fences and Snow Sheds.....	35,774.70	34,381.51
225 Crossings and Signs.....	488,284.65	559,161.46
227 Station and Office Buildings.....	1,483,253.94	1,679,081.49
229 Roadway Buildings.....	184,085.48	150,499.87
231 Water Stations.....	538,812.18	544,412.26
233 Fuel Stations.....	180,594.59	211,914.83
235 Shops and Enginehouses.....	1,463,677.64	1,574,290.55
237 Grain Elevators.....	55,726.33	107,869.62
241 Wharves and Docks.....	137,165.55	285,923.56
243 Coal and Ore Wharves.....	22,561.26	50,560.89
245 Gas Producing Plants.....	266.57	1,619.20
247 Telegraph and Telephone Lines.....	490,351.10	503,824.23
249 Signals and Interlockers.....	425,523.95	421,541.32
253 Power Plant Buildings.....	3,270.81	3,401.51
255 Power Sub-station Buildings.....	.69	544.77
257 Power Transmission Systems.....	10,839.52	14,651.09
259 Power Distribution Systems.....	24,624.72	42,228.63
261 Power Line Poles and Fixtures.....	88.28	206.75
265 Miscellaneous Structures.....	4,303.94	3,250.95
267 Paving.....	11,080.32	1,143.96
269 Roadway Machines.....	261,247.55	251,270.78
271 Small Tools and Supplies.....	524,694.41	601,644.29
272 Removing Snow, Ice and Sand.....	1,753,928.28	1,773,208.12
273 Assessments for Public Improvements.....	5,580.82	20,838.79
274 Injuries to Persons.....	279,111.48	416,075.30
275 Insurance.....	386,991.33	658,736.65
276 Stationery and Printing.....	75,575.83	99,193.40
277 Other Expenses.....	28,257.29	27,729.34
278 Maintaining Joint Tracks, Yards and Other Facilities—Dr.....	325,297.23	329,819.70
279 " " " " —Cr.....	1,086,917.12	1,190,453.21
Total.....	\$43,006,813.70	\$44,039,965.51

CANADIAN NATIONAL RAILWAYS

RAILWAY OPERATING EXPENSES

	Year Ending December 31, 1925	Year Ending December 31, 1924
MAINTENANCE OF EQUIPMENT:		
301 Superintendence.....	\$1,712,478.29	\$1,677,547.44
302 Shop Machinery.....	1,219,849.83	1,319,069.20
304 Power Plant Machinery.....	84,529.76	100,271.06
306 Power Sub-station Apparatus.....	240.14	696.94
308 Steam Locomotives—Repairs.....	16,019,269.40	17,319,361.14
309 " " Depreciation..... (U.S. Lines only)	449,443.46	421,890.26
310 " " Retirements.....	1,493,889.13	895,149.07
311 Other Locomotives—Repairs.....	45,287.51	40,845.91
312 " " Depreciation..... do	3,834.72	3,834.78
314 Freight Train Cars—Repairs.....	15,192,555.99	15,013,169.16
315 " " " Depreciation..... do	539,145.51	525,017.68
316 " " " Retirements.....	1,540,615.81	1,263,273.77
317 Passenger Train Cars—Repairs.....	6,348,616.60	6,336,565.06
318 " " " Depreciation..... do	45,155.98	52,271.80
319 " " " Retirements.....	92,294.56	55,662.56
320 Motor Equipment of Cars—Repairs.....	63,286.83	20,692.97
321 " " " Depreciation..... do	194.78	—
323 Floating Equipment—Repairs.....	138,538.80	139,555.51
324 " " " Depreciation..... do	25,856.50	25,926.12
326 Work Equipment—Repairs.....	1,896,612.06	1,832,308.60
327 " " " Depreciation..... do	23,225.75	31,163.45
328 " " " Retirements.....	242,350.99	121,662.08
329 Miscellaneous Equipment—Repairs.....	17,034.41	13,145.39
330 " " " Depreciation..... do	63.84	—
331 " " " Retirements.....	1,492.72	—
332 Injuries to Persons.....	240,245.90	345,036.82
333 Insurance.....	479,996.08	502,042.78
334 Stationery and Printing.....	80,882.69	92,204.71
335 Other Expenses.....	39,790.70	18,465.47
336 Maintaining Joint Equipment at Terminals, Dr.....	56,206.54	51,611.18
337 " " " Cr.....	190,893.12	245,996.67
Total.....	\$47,902,092.16	\$47,972,444.24
TRAFFIC EXPENSES:		
351 Superintendence.....	\$1,882,435.06	\$1,875,602.24
352 Outside Agencies.....	2,428,136.28	2,465,739.71
353 Advertising.....	1,042,573.06	1,251,278.56
353 Radio.....	240,686.49	118,532.01
354 Traffic Associations.....	93,232.23	95,942.37
356 Industrial Bureau.....	63,368.32	60,457.97
356 Colonization, Agriculture and Natural Resources.....	448,300.40	391,454.11
356 British Empire Exhibition.....	60,538.47	226,387.51
357 Insurance.....	902.09	808.82
358 Stationery and Printing.....	373,091.45	358,127.06
359 Other Expenses.....	93,209.05	48,420.86
Total.....	\$6,726,472.90	\$6,892,751.22

CANADIAN NATIONAL RAILWAYS

RAILWAY OPERATING EXPENSES

	Year Ending December 31, 1925	Year Ending December 31, 1924
TRANSPORTATION RAIL LINE:		
371 Superintendence.....	\$ 3,967,947.56	\$ 3,610,188.71
372 Dispatching Trains.....	1,406,196.42	1,399,128.67
373 Station Employees.....	16,005,482.48	16,043,902.37
374 Weighing, Inspection & Demurrage Bureaus.....	73,329.50	71,170.77
375 Coal and Ore Wharves.....	109,061.55	141,965.27
376 Station Supplies and Expenses.....	1,429,002.45	1,497,846.19
377 Yardmasters and Yard Clerks.....	2,485,119.26	2,436,287.56
378 Yard Conductors and Brakemen.....	4,894,242.58	4,842,181.65
379 Yard, Switch and Signal Tenders.....	700,975.01	724,539.50
380 Yard Enginemen.....	3,475,583.74	3,428,229.34
381 Yard Motormen.....	27,628.06	26,087.70
382 Fuel for Yard Locomotives.....	4,796,161.91	5,198,621.15
383 Yard Switching Power Produced.....	15,845.67	18,445.19
384 " " " Purchased.....	44,231.57	44,403.91
385 Water for Yard Locomotives.....	192,135.59	190,153.43
386 Lubricants for Yard Locomotives.....	47,413.04	51,067.07
387 Other Supplies for Yard Locomotives.....	45,996.84	51,690.20
388 Enginehouse Expenses—Yard.....	1,437,965.69	1,432,442.71
389 Yard Supplies and Expenses.....	119,688.67	119,530.96
390 Operating Joint Yards and Terminals, Dr.....	865,105.71	823,831.89
391 " " " Cr.....	1,278,170.20	1,202,000.70
392 Train Enginemen.....	10,054,017.25	10,329,289.31
393 Train Motormen.....	75,597.19	56,884.90
394 Fuel for Train Locomotives.....	21,070,804.78	22,859,850.71
395 Train Power Produced.....	12,579.92	15,873.91
396 " " Purchased.....	62,468.34	45,535.83
397 Water for Train Locomotives.....	1,067,608.79	1,166,571.03
398 Lubricants for Train Locomotives.....	299,396.57	315,948.30
399 Other Supplies for Train Locomotives.....	196,097.79	227,014.20
400 Enginehouse Expenses—Train.....	3,819,093.44	3,997,535.95
401 Trainmen.....	11,109,663.10	11,349,961.29
402 Train Supplies and Expenses.....	4,682,635.07	4,682,755.66
403 Operating Sleeping Cars.....	987,223.35	972,430.72
404 Signal and Interlocker Operation.....	559,348.32	562,711.49
405 Crossing Protection.....	723,685.98	734,310.92
406 Drawbridge Operation.....	112,353.05	111,490.65
407 Telegraph and Telephone Operation.....	84,244.10	124,772.34
408 Operating Floating Equipment.....	928,654.32	913,072.68
409 Express Service.....	6,112,992.71	6,364,533.48
410 Stationery and Printing.....	729,164.91	855,036.75
411 Other Expenses.....	343,756.38	388,287.06
412 Operating Joint Tracks and Facilities, Dr.....	189,674.32	168,427.08
413 " " " Cr.....	439,173.76	375,634.35
414 Insurance.....	420,281.51	487,786.99
415 Clearing Wrecks.....	449,155.64	499,515.82
416 Damage to Property.....	123,085.52	120,764.58
417 Damage to Stock on Right-of-Way.....	59,324.56	69,242.52
418 Loss and Damage—Freight.....	1,101,377.00	1,186,544.69
419 " " " Baggage.....	4,353.53	6,789.65
420 Injuries to Persons.....	677,030.39	989,005.92
Total.....	\$106,477,437.08	\$110,085,033.62

CANADIAN NATIONAL RAILWAYS

RAILWAY OPERATING EXPENSES

	Year Ending December 31, 1925	Year Ending December 31, 1924
MISCELLANEOUS OPERATIONS:		
441 Dining and Buffet Service.....	\$1,947,806.05	\$2,029,174.07
442 Restaurants.....	66,229.88	121,356.28
443 Grain Elevators.....	214,780.46	223,046.70
446 Other Miscellaneous Operations.....	24,234.15	7,892.51
Total Miscellaneous Operations.....	\$2,253,050.54	\$2,381,469.56
GENERAL EXPENSES:		
451 Salaries and Expenses of General Officers.....	\$ 986,024.69	\$ 990,957.88
452 Salaries and Expenses of Clerks and Attendants.....	3,793,972.19	4,281,896.34
453 General Office Supplies and Expenses.....	475,451.63	564,792.25
454 Law Expenses.....	481,857.66	479,893.78
455 Insurance.....	3,073.00	2,793.49
456 Relief Department Expenses.....	27,500.00	27,500.00
457 Pensions.....	816,288.23	682,023.96
458 Stationery and Printing.....	178,039.09	236,811.96
459 Valuation Expenses.....	34,583.51	33,040.43
460 Other Expenses.....	430,668.86	337,697.64
461 General Joint Facilities, Dr.....	6,960.51	7,167.44
462 " " " Cr.....	10,645.50	10,741.12
Total General Expenses.....	\$7,223,773.87	\$7,633,834.05

CANADIAN NATIONAL RAILWAYS

EXPENDITURES, LESS RETIREMENTS, DURING THE YEAR 1925, APPLICABLE TO INVESTMENT IN ROAD AND EQUIPMENT

ROAD:

1 Engineering	\$349,054.74
2 Land for Transportation Purposes	729,710.88
3 Grading	2,480,515.36
5 Tunnels and Subways	26,756.36
6 Bridges, Trestles and Culverts	1,685,448.59
7 Elevated Structures	235.77
8 Ties	1,414,236.77
9 Rails	1,984,698.84
10 Other Track Material	1,865,883.19
11 Ballast	819,279.45
12 Track Laying and Surfacing	1,208,873.49
13 Right-of-Way Fences	198,121.36
14 Snow and Sand Fences and Snow Sheds	29,427.81
15 Crossings and Signs	392,414.12
16 Station and Office Buildings	796,311.23
17 Roadway Buildings	31,742.42
18 Water Stations	254,616.11
19 Fuel Stations	51,458.40
20 Shops and Engine Houses	452,668.28
21 Grain Elevators	14,454.22
22 Storage Warehouses	16.01
23 Wharves and Docks	32,701.20
24 Coal and Ore Wharves	391.09
25 Gas Producing Plants	399.99
26 Telegraph and Telephone Lines	59,832.77
27 Signals and Interlockers	83,423.64
29 Power Plant Buildings	58,809.28
30 Power Sub-Station Buildings	2,920.39
31 Power Transmission Systems	7,884.67
32 Power Distribution Systems	84,932.76
33 Power Lines, Poles and Fixtures	69,240.59
34 Underground Conduits	7,911.15
35 Miscellaneous Structures	245,281.07
36 Paving	3,342.82
37 Roadway Machines	28,450.55
38 Roadway Small Tools	2,736.37
39 Assessments for Public Improvements	118,451.07
40 Revenues and Operating Expenses during Construction	7,288.37
41 Cost of Road Purchased	201.89
43 Other Expenditures—Road	3,664.63
44 Shop Machinery	62,097.93
45 Power Plant Machinery	133,764.59
46 Power Sub-Station Apparatus	5,420.53
47 Unapplied Construction Material and Supplies	5,034.50

\$15,763,796.43

EQUIPMENT:

51 Steam Locomotives	\$1,067,937.59
53 Freight Train Cars	488,906.12
54 Passenger Train Cars	1,363,198.37
55 Motor Equipment of Cars	523,223.84
56 Floating Equipment	4,132.54
57 Work Equipment	32,604.03
58 Miscellaneous Equipment	12,725.18

\$1,291,644.43

GENERAL:

71 Organization Expenses	\$16.83
72 General Officers and Clerks	16.83
73 Law	557.13
74 Stationery and Printing	4,232.72
75 Taxes	7,970.02
76 Interest during Construction	183,570.07
77 Other Expenditures—General	27,119.81

\$222,301.83

Total	\$17,277,742.69
Investment Expenditures under Suspense Appropriations	264,111.05
Investment Expenditures by Separately Operated Properties	1,044,708.54
Transfers between Balance Sheet accounts not applicable to year's expenditures	621,734.98
Change in A/c 701 during year	\$17,964,827.30
Balance at January 1st, 1925	1,837,072,740.64
Balance at December 31st, 1925, as per Balance Sheet	\$1,855,037,567.94

CANADIAN NATIONAL RAILWAYS

A/C 702—IMPROVEMENTS ON LEASED RAILWAY PROPERTY DURING YEAR 1925

ROAD:		
1	Engineering.....	\$10,551.41
2	Land for Transportation Purposes.....	28,088.34
3	Grading.....	106,334.70
6	Bridges, Trestles and Culverts.....	82,557.68
8	Ties.....	19,985.58
9	Rails.....	64,363.99
10	Other Track Material.....	61,561.70
11	Ballast.....	11,412.26
12	Track Laying and Surfacing.....	19,489.38
13	Right-of-Way Fences.....	457.23
14	Snow and Sand Fences and Snow Sheds.....	5,269.21
15	Crossings and Signs.....	35,222.89
16	Station and Office Buildings.....	14,654.80
17	Roadway Buildings.....	5,558.98
18	Water Stations.....	5,726.93
19	Fuel Stations.....	1,008.27
20	Shops and Engine Houses.....	31,207.13
21	Grain Elevators.....	357.53
23	Wharves and Docks.....	6,899.94
26	Telegraph and Telephone Lines.....	7,711.97
27	Signals and Interlockers.....	3,038.16
31	Power Transmission Systems.....	1,073.30
32	Power Distribution Systems.....	859.66
33	Power Lines, Poles and Fixtures.....	7.92
37	Roadway Machines.....	798.13
38	Roadway Small Tools.....	234.60
39	Assessments for Local Improvements.....	6,844.55
44	Shop Machinery.....	5,248.52
45	Power Plant Machinery.....	4,507.39
		\$514,300.85
EQUIPMENT:		
51	Steam Locomotives.....	\$4,391.01
53	Freight Train Cars.....	981.02
57	Work Equipment.....	93,970.58
58	Miscellaneous Equipment.....	304.00
		\$99,038.61
Total.....		\$415,262.24
Investment Expenditures under Suspense Appropriations.....		7,115.14
Investment Expenditures by Separately Operated Properties.....		22,481.77
Change in A/c 702 during year.....		\$430,628.87
Balance at January 1st, 1925.....		5,860,651.08
Balance at December 31st, 1925, as per Balance Sheet.....		\$6,291,279.95

Expenditures on Properties leased from one System Company to another are included in this Account.

CANADIAN NATIONAL RAILWAYS

STATEMENT SHOWING DETAILS OF EQUIPMENT ON HAND DECEMBER 31, 1924 ADDITIONS, RETIREMENTS AND POSITION AT DECEMBER 31, 1925

	December 31, 1924 (Revised)	Additions During Year	Retirements During Year	December 31, 1925
LOCOMOTIVES:				
Passenger—Freight.....	2,769	5	134	2,640
Switching.....	513	6	10	509
Electric Locomotives.....	12			12
Total Locomotives.....	3,294	11	144	3,161
FREIGHT EQUIPMENT:				
Box Cars.....	86,877	507	1,562	85,822
Flat Cars.....	11,415	22	603	10,834
Stock Cars.....	6,189	2	317	5,874
Coal Cars.....	17,058	137	252	16,943
Tank Cars.....	142			142
Refrigerator Cars.....	3,108		39	3,069
Caboose Cars.....	1,753	74	63	1,764
Other Cars in Freight Service.....	2,240	40	329	1,951
Total Freight Equipment.....	128,782	782	3,165	126,399
PASSENGER EQUIPMENT:				
First Class Cars.....	982		13	969
Second Class Cars.....	251	7	6	252
Combination Cars.....	285	2	7	280
Immigrant Cars.....	327	12	7	332
Dining Cars.....	84			84
Parlor Cars.....	132	1		133
Sleeping Cars.....	253	5	3	255
Postal Cars.....	99		6	93
Baggage & Express Cars.....	1,053	24	25	1,052
Unit Cars.....	25	13		38
Other Cars in Passenger Service.....	47	29		76
Total Passenger Equipment.....	3,538	93	67	3,564
IN COMPANY'S SERVICE:				
Business and Pay Cars.....	75	1	3	73
All Other Cars in Company's Service.....	6,927	565	458	7,034
Total in Company's Service.....	7,002	566	461	7,107
Total Cars.....	139,322	1,441	3,693	137,070
FLOATING EQUIPMENT:				
Car Ferries.....	8			8
Barges.....	5			5
Tugs.....	3			3
Work.....	4	1	1	4

CANADIAN NATIONAL RAILWAYS

COMPARATIVE STATEMENT OF OPERATING REVENUE PAID IN LABOUR AND THE AVERAGE NUMBER OF EMPLOYEES

	1925	1924	Increase or Decrease	% Increase or Decrease
Gross Earnings.....	\$244,971,202.61	\$235,588,182.55	I. \$9,383,020.06	3.98
Operating Labour.....	127,197,272.73	127,216,017.40	D. 18,744.67	.01
Ratio of Labour to Gross Earnings.....	51.92	54.00	D. 2.08	3.85
Comparison of Payroll (including Betterments).....	141,025,939.00	143,242,026.00	D. 2,216,087.00	1.55
Average Number of Employees.....	95,785	98,875	D. 3,090	3.13

COMPARATIVE STATEMENT SHOWING DISTRIBUTION OF OPERATING RATIO AS BETWEEN LABOUR, FUEL AND OTHER EXPENSES

	1925	1924	Increase or Decrease	% Increase or Decrease
Labour.....	51.92	54.00	D. 2.08	3.85
Fuel.....	10.56	11.91	D. 1.35	11.34
Other Expenses.....	24.35	26.77	D. 2.42	9.04
Total.....	86.83	92.68	D. 5.85	6.31

COMPARATIVE STATEMENT SHOWING DISTRIBUTION OF OPERATING RATIO OVER GENERAL ACCOUNTS

	1925	1924
Maintenance of Way and Structures.....	17.56	18.69
Maintenance of Equipment.....	19.55	20.36
Traffic.....	2.75	2.93
Transportation.....	43.46	46.73
Miscellaneous Operations.....	.92	1.01
General.....	2.95	3.24
Transportation for Investment—Credit.....	.36	.28
Total.....	86.83	92.68

COMPARATIVE STATEMENT SHOWING DISTRIBUTION OF DOLLAR SPENT AS BETWEEN LABOUR, FUEL AND OTHER EXPENSES

	1925	1924
Labour.....	59.80	58.26
Fuel.....	12.16	12.85
Other Expenses.....	28.04	28.89
Total.....	100.00	100.00

COMPARATIVE STATEMENT SHOWING DISTRIBUTION OF DOLLAR SPENT OVER GENERAL ACCOUNTS

	1925 Cents	1924 Cents
Maintenance of Way and Structures.....	.20	.20
Maintenance of Equipment.....	.23	.22
Traffic.....	.03	.03
Transportation—Rail.....	.50	.50
Miscellaneous Operations.....	.01	.01
General.....	.03	.04
Transportation for Investment—Credit.....	—	—
Total.....	100	100

CANADIAN NATIONAL RAILWAYS

LOANS FROM DOMINION OF CANADA

	Principal Outstanding at Dec. 31, 1925	Interest Accrued 1925	Interest Accrued 1924
CANADIAN NATIONAL—GRAND TRUNK:			
6% 1920/1921 Loan.....	\$25,000,000.00	\$ 1,500,000.00	\$ 1,500,000.00
6% 1921/1922 Loan.....	55,293,435.18	3,317,606.10	3,317,606.10
6% 1922/1923 Vote No. 137.....	23,288,747.15	1,397,324.82	1,397,324.76
Advance a/c G.T.P. 4% Debentures.....	15,000,000.00	600,000.00	600,000.00
Various Interest Adjustments.....	—	114,752.82	161,548.80
GRAND TRUNK PACIFIC:			
6% Appropriation Act, 1916.....	4,555,843.45	273,350.60	273,350.60
6% Appropriation Act, 1917.....	4,196,073.72	251,764.42	251,764.42
6% Appropriation Act, 1918.....	5,787,439.93	347,246.40	347,246.40
6% Orders in Council.....	6,000,000.00	360,000.00	360,000.00
Advances to pay Guaranteed Interest.....	20,506,493.55	—	—
Receiver's Certificates 5% and 6%.....	53,768,865.94	3,081,487.44	2,865,405.33
3% G.T.P. Bonds held by Government.....	33,048,000.00	991,440.00	991,440.00
CANADIAN NORTHERN RAILWAY:			
3½% Advances under 1911 Legislation.....	2,396,099.68	83,863.48	83,863.48
4% Advances under 1914 Legislation.....	5,294,000.02	211,760.00	211,760.00
5% Advances under 1915 Legislation.....	10,000,000.00	500,000.00	500,000.00
6% Advances under 1916 Legislation.....	15,000,000.00	900,000.00	900,000.00
6% Advances under 1917 Legislation.....	25,000,000.00	1,500,000.00	1,500,000.00
6% Advances under 1918 Legislation.....	25,000,000.00	1,500,000.00	1,500,000.00
6% Advances under 1918 War Measure Act.....	1,887,821.16	113,269.26	113,269.26
6% Equipment Loans under Chap. No. 38, 1918.....	13,951,328.28	837,079.70	837,079.70
6% Advances under 1919 Appropriation Act.....	35,000,000.00	2,100,000.00	2,100,000.00
6% Advances under Vote No. 96—1919.....	23,362,212.73	1,401,732.76	1,401,732.76
6% Advances under Vote No. 127—1920.....	48,611,077.00	2,916,664.62	2,916,664.62
6% Advances under Vote No. 115—1920.....	15,503,426.34	930,205.58	930,205.58
6% Advances under Vote No. 113—1921.....	1,725,723.30	103,543.40	103,543.40
6% Advances under Vote No. 126—1921.....	24,500,000.00	1,470,000.00	1,470,000.00
6% Advances under Vote No. 126, G.T.P. 1921/1922.....	11,733,625.27	704,017.52	704,017.52
6% Advances under Vote No. 126, G.T.R. 1921/1922.....	8,186,181.15	491,170.86	491,170.86
6% Advances under Vote No. 136—1922-1923.....	42,800,000.00	2,568,000.00	2,568,000.00
6% Advances under Vote No. 115—1922-1923.....	2,315,805.79	138,948.34	138,948.34
6% Advances under Vote No. 139—1923-1924.....	12,655,019.57	759,301.17	817,564.85
5% Advances under Vote No. 137—1924-1925.....	1,318,315.86	215,358.24	240,633.82
	\$572,685,535.07	\$31,450,381.89	\$31,271,043.00

CANADIAN NATIONAL RAILWAYS

A/C 546—" INTEREST ON FUNDED DEBT "

A/C 755—" UNMATURED FUNDED DEBT "

NAME OF SECURITY	Issuing Company	Date of Maturity	Principal Outstanding at Dec. 31, 1925	Interest Accrued 1925	Interest Accrued 1924
GUARANTEED BY DOMINION GOVERNMENT:					
5% Perpetual Debenture Stock.....	G.T.R.....	Perpetual.....	\$20,782,491.67	\$1,039,124.58	\$1,039,124.58
5% G.W. Perpetual Debenture Stock.....	G.T.R.....	Perpetual.....	13,252,322.67	662,616.12	662,616.12
4% Perpetual Debenture Stock.....	G.T.R.....	Perpetual.....	119,839,014.33	4,793,560.56	4,793,560.56
4% Nor. Rly. Perpetual Deb. Stock.....	G.T.R.....	Perpetual.....	1,499,979.67	59,999.18	59,999.18
4% Perpetual Guaranteed Stock.....	G.T.R.....	Perpetual.....	60,833,333.33	2,433,333.33	2,433,333.33
7% Sinking Fund Gold Deb. Bonds.....	G.T.R.....	Oct. 1, 1940.....	24,743,000.00	1,732,010.00	1,732,010.00
6% Sinking Fund Gold Deb. Bonds.....	G.T.R.....	Sept. 1, 1936.....	25,000,000.00	1,500,000.00	1,500,000.00
3% 1st Mtge. Bonds (ex. Govt. holdings)...	G.T.P.....	Jan. 1, 1962.....	34,992,000.00	1,049,760.00	1,049,760.00
4% Sterling Bonds. due 1962.....	G.T.P.....	Jan. 1, 1962.....	8,440,848.00	337,633.92	337,633.92
3% 1st Mortgage Debenture Stock.....	Can. Nor.....	July 10, 1953.....	9,359,996.72	280,799.86	280,799.86
3½% 1st Mortgage Debenture Stock.....	Can. Nor.....	July 20, 1958.....	7,896,588.26	276,380.46	276,380.46
4% Debenture Stock and Bonds.....	Can. Nor.....	Sept. 1, 1934.....	17,060,333.33	682,413.34	682,413.34
7% Sinking Fund Debenture Bonds.....	Can. Nor.....	Dec. 1, 1940.....	24,793,000.00	1,735,510.00	1,735,510.00
6½% Sinking Fund Debenture Bonds.....	Can. Nor.....	July 1, 1946.....	25,000,000.00	1,625,000.00	1,625,000.00
5% 3 year Guaranteed Notes.....	Can. Nor.....	Mar. 1, 1925.....	—	91,666.66	550,000.00
4½% 10 year Gold Bonds.....	Can. Nor.....	Feb. 15, 1935.....	17,000,000.00	667,279.07	—
3½% 1st Mortgage Debenture Stock.....	C.N.A.....	May 4, 1960.....	3,149,998.66	110,249.94	110,249.94
3½% 1st Mortgage Debenture Stock.....	C.N.O.....	May 19, 1961.....	34,229,996.87	1,198,049.84	1,198,049.84
5% Equipment Trust—Series "G".....	Can. Nat.....	Serially 1/8/1938	19,500,000.00	1,000,000.00	1,075,000.00
5% 30 year Bonds.....	Can. Nat.....	Feb. 1, 1954.....	50,000,000.00	2,500,000.00	2,261,858.75
4% 3 year Guaranteed Gold Notes.....	Can. Nat.....	July 1, 1927.....	20,000,000.00	800,000.00	305,753.33
4½% 30 year Guaranteed Gold Bonds.....	Can. Nat.....	Sept. 15, 1954.....	26,000,000.00	1,170,000.00	334,839.04
4½% 5 year Gold Bonds.....	Can. Nat.....	Feb. 15, 1930.....	18,000,000.00	706,530.78	—
GUARANTEED BY PROVINCE OF ONTARIO:					
3½% 1st Mortgage Debenture Stock.....	C.N.O.....	1936 and 1938...	7,859,997.59	275,099.90	275,099.90
GUARANTEED BY PROVINCE OF MANITOBA:					
4% Consolidated Debenture Bonds.....	Can. Nor.....	June 30, 1930.....	10,785,993.31	431,416.74	431,361.86
4% Sifton Branch Bonds.....	Can. Nor.....	Feb. 1, 1929.....	1,137,340.00	45,493.60	45,493.60
4% Gilbert Plains Branch Bonds.....	Can. Nor.....	Nov. 1, 1930.....	2,433.33	97.32	97.32
4% Man. & South Eastern Bonds.....	Can. Nor.....	Feb. 1, 1929.....	510,513.34	20,442.91	20,498.38
4% Ontario Division Bonds.....	Can. Nor.....	June 30, 1930.....	5,679,886.66	227,166.27	227,078.67
*4½% Ontario Division Bonds.....	Can. Nor.....	June 30, 1930.....	64,726.67	2,945.55	3,044.10
4% Winnipeg Terminal Bonds.....	Can. Nor.....	July 1, 1939.....	3,000,000.00	120,000.00	120,000.00
4% 1st Mortgage Debenture Stock.....	Can. Nor.....	June 30, 1930.....	2,859,998.87	114,399.92	114,399.92
4% Province of Manitoba Bonds.....	Can. Nor.....	Oct. 1, 1930.....	349,000.00	13,960.00	13,960.00
GUARANTEED BY PROVINCE OF SASKATCHEWAN:					
4% 1st Mortgage Bonds.....	G.T.P.....	Jan. 22, 1939.....	9,874,062.00	394,962.48	394,962.48
4% 1st Mortgage Debenture Stock.....	Can. Nor.....	Jan. 23, 1939.....	8,029,999.99	321,200.00	321,200.00
GUARANTEED BY PROVINCE OF ALBERTA:					
4% 1st Mortgage Bonds—1942.....	G.T.P.....	Feb. 15, 1942.....	1,153,764.00	46,150.56	46,150.56
4% 1st Mortgage Bonds—1939.....	G.T.P.....	Feb. 15, 1939.....	2,430,000.00	97,200.00	97,200.00
4% 1st Mortgage Debenture Stock.....	Can. Nor.....	Feb. 25, 1939.....	5,586,665.64	223,466.62	223,466.62
4½% 1st Mortgage Deb. Stock & Bonds—1943	C.N.W.....	Oct. 22, 1943.....	2,799,997.73	125,999.90	125,999.90
4½% 1st Mortgage Deb. Stock & Bonds—1942	C.N.W.....	Feb. 16, 1942.....	6,424,000.00	289,080.00	289,080.00
GUARANTEED BY PROVINCE OF BRITISH COLUMBIA:					
4% 1st Mortgage Debenture Stock.....	C.N.P.....	April 2, 1950.....	16,412,001.13	656,480.07	656,480.07
4½% Terminal Debenture Stock.....	C.N.P.....	April 2, 1950.....	8,614,000.00	387,630.00	387,630.00
Carried Forward.....			\$674,947,283.77	\$30,245,109.48	\$27,837,095.63

* These securities are not guaranteed but may be exchanged for 4% Ontario Division Bonds.

CANADIAN NATIONAL RAILWAYS

A/C 546—"INTEREST ON FUNDED DEBT"—Continued

A/C 755—"UNMATURED FUNDED DEBT"—Continued

NAME OF SECURITY	Issuing Company	Date of Maturity	Principal Outstanding at Dec. 31, 1925	Interest Accrued 1925	Interest Accrued 1924
Brought Forward.....			\$674,947,283.77	\$30,245,109.48	\$27,837,095.63
UNGUARANTEED (BY PROVINCES OR DOMINION):					
4% Canada Atlantic 1st Mtge. Bonds.....	G.T.R.....	Jan. 1, 1955....	\$16,000,092.00	\$640,003.68	\$640,003.68
7% Wellington, Grey & Bruce Bonds.....	G.T.R.....	By drawings....	230,193.33	26,876.66	26,800.70
6% Northern Railway 3rd Pref. Bonds.....	G.T.R.....	Indeterminable..	70,566.66	4,234.00	4,234.00
5% Equipment Trust—Series "D".....	G.T.R.....	Serially 1/8/1927	500,000.00	29,166.67	41,666.67
6% Equipment Trust Notes "U.S.R.A.".....	G.T.R.....	" 15/1/1935	599,000.00	35,940.00	39,534.00
6½% Equipment Trust Certificates "F".....	G.T.R.....	Feb. 1, 1936....	11,230,000.00	729,950.00	729,950.00
3¾% 1st Mortgage Bonds.....	N.E. Elev. Co..	Serially 1/7/1941	160,000.00	6,187.50	Charged A/C542
4% 1st Mortgage Bonds.....	Port. Elev. Co..	Serially 1/1/1937	60,000.00	2,400.00	Charged A/C542
4% 1st Mortgage Bonds.....	Pem. Southern..	Sept. 1, 1956....	150,000.00	6,000.00	Charged A/C542
4% 2nd Mortgage Prairie "A".....	G.T.P.....	April 1, 1955....	10,206,000.00	408,240.00	408,240.00
4% 2nd Mortgage Mountain "B".....	G.T.P.....	April 1, 1955....	9,963,000.00	398,520.00	398,520.00
4% 1st Mortgage Lake Superior.....	G.T.P.....	April 1, 1955....	7,533,000.00	301,320.00	301,320.00
4% Perpetual Debenture Stock.....	G.T.P.....	Perpetual.....	34,879,252.86	1,395,170.12	1,395,170.12
4% Perpetual Con. Debenture Stock.....	Can. Nor.....	Perpetual.....	44,943,019.40	1,797,720.74	1,797,720.74
4½% Prince Albert Branch Bonds.....	Can. Nor.....	June 30, 1930....	300,000.00	13,500.00	13,500.00
6% Equipment Trust—Series "A".....	Can. Nor.....	Serially 1/7/1928	1,250,000.00	88,500.00	115,500.00
6% Equipment Trust—Series "B".....	Can. Nor.....	Serially 1/1/1929	2,625,000.00	168,750.00	213,750.00
6% Equipment Trust—Series "C".....	Can. Nor.....	Serially 1/5/1929	2,625,000.00	183,750.00	228,750.00
6% Equipment Trust—Series "D".....	Can. Nor.....	" 1/12/1929	3,000,000.00	210,000.00	255,000.00
7% Equipment Trust—Series "E".....	Can. Nor.....	May 1, 1935....	14,000,000.00	980,000.00	980,000.00
5% Equipment Trust—Series "L-1".....	Can. Nor.....	Serially 1/8/1926	128,000.00	8,600.00	15,200.00
4% Perpetual Con. Debenture Stock.....	C.N.O.....	Perpetual.....	8,724,113.20	348,964.50	348,964.50
5% 1st Mortgage Bonds.....	C.O.R.....	Jan. 1, 1934....	783,046.66	39,237.51	39,712.00
5% 1st Mortgage Bonds.....	Bay of Quinte..	Jan. 2, 1927....	730,000.00	36,500.00	36,500.00
4% Perpetual Con. Debenture Stock.....	C.N.Q.....	Perpetual.....	5,250,369.26	210,014.76	210,014.76
4% 1st Mortgage Gold Bonds.....	G.N. of C.....	Oct. 1, 1934....	3,510,250.00	140,410.00	140,410.00
4% 1st Mortgage Perp. Debenture Stock.....	Q.&L.St.J.....	Perpetual.....	4,252,503.06	170,100.14	170,100.14
3½% 1st Mortgage Bonds.....	H. & S.W.....	Sept. 30, 1942..	4,447,000.00	155,645.00	155,645.00
4% 1st Mortgage Debenture Stock.....	Q.L.L. & S.R.R..	July 1, 1936....	5,019,539.86	200,781.14	200,781.14
5% 1st Mortgage Rent Charge Bonds.....	M.R.Tnl. & Tml..	April 15, 1970....	1,771,953.33	89,940.05	93,700.57
5% 1st Mortgage Bonds.....	C.N.C. & O.Dock	Jan. 1, 1936....	1,375,000.00	68,750.00	Charged A/C542
4% 1st Mortgage Debenture Stock.....	D.W. & P.....	June 1, 1939....	7,004,997.27	280,200.00	280,200.00
4% 1st Mortgage Bonds.....	G.T.W.....	July 1, 1950....	10,964,416.00	438,576.64	438,576.64
6% Equipment Trust Notes "U.S.R.A.".....	G.T.W.....	Serially 15/1/35	2,065,000.00	124,416.25	136,806.25
5% 1st Mortgage Bonds.....	G.T. Jct.....	Jan. 1, 1934....	938,960.00	46,948.00	46,948.00
4½% Equipment Trust Series "H".....	Can. Nat.....	Serially 1/7/1939	8,750,000.00	407,812.50	161,237.10
Int. on Securities retired in 1924.....			—	—	460,152.50
Fixed Charges due Public per Income A/C 546.....				\$40,438,235.34	\$38,361,704.14
4% Montreal Warehousing Company, Firsts.....		April 1, 1936....	136,000.00	Interest in Result of Separately Operated Properties	
5% Rail & River Coal Company, Firsts.....		April 1, 1938....	1,495,000.00		
5% Niagara, St. Catharines & Toronto Ry. Co. Firsts.....		Nov. 1, 1929....	1,098,000.00		
4½% Toronto Suburban Debenture Stock.....		July 15, 1961....	2,628,000.00		
Canadian National Realities Ltd. Outstanding Mortgages.....		Various.....	847,900.00	do.	do.
5% Canadian Northern Income Charge Debenture Stock.....		May 6, 1930....	24,137,846.08	Interest not earned.	
Total Debt held by Public (including bonds held in Sinking Funds) as per Balance Sheet A/C 755.....			\$931,329,302.74		

CANADIAN NATIONAL RAILWAYS

STATISTICS OF RAIL-LINE OPERATION

Item No.	Year 1925	Year 1924
1. AVERAGE MILEAGE OF ROAD OPERATED.....	21,936.49	21,865.99
TRAIN MILES:		
11 Freight—Ordinary.....	—	—
12 " —Light.....	—	—
13 " —Total.....	30,209,725	29,811,416
14 Passenger.....	23,255,522	23,410,063
15 Mixed.....	3,668,878	3,672,533
16 Special.....	23,758	23,265
Unit Cars.....	666,130	435,393
17 Total Transportation Service.....	57,824,013	57,352,670
18 Work Service.....	2,104,836	2,728,355
LOCOMOTIVE MILES:		
21 Freight—Principal.....	30,231,806	29,834,085
22 " —Helper.....	655,159	669,494
23 " —Light.....	486,979	546,084
24 " —Total.....	31,373,944	31,049,663
25 Passenger—Principal.....	23,256,233	23,410,071
26 " —Helper.....	157,281	186,200
27 " —Light.....	462,952	491,566
28 " —Total.....	23,876,466	24,087,837
29 Mixed Train—Principal.....	3,669,052	3,672,614
30 " " —Helper.....	14,882	13,263
31 " " —Light.....	39,006	41,989
32 " " —Total.....	3,722,940	3,727,866
33 Special—Principal.....	23,770	23,265
34 " —Helper.....	1,589	1,516
35 " —Light.....	1,413	423
36 " —Total.....	26,772	25,204
37 Train Switching.....	3,668,279	3,688,684
38 Yard Switching—Freight.....	12,386,771	12,356,316
39 " " —Passenger.....	1,037,465	1,085,686
40 " " —Total.....	13,424,236	13,442,002
41 Total Transportation Service.....	76,092,637	76,021,256
42 Work Service.....	2,681,266	3,436,762
CAR MILES:		
51 Freight Train—Loaded.....	774,970,489	737,979,275
52 " " —Empty.....	400,491,890	363,252,703
53 Sum of Loaded and Empty.....	1,175,462,379	1,101,231,978
54 Freight Train—Caboose.....	30,563,461	30,194,756
56 " " —Total.....	1,206,025,840	1,131,426,734
57 Passenger Train—Passenger.....	59,843,758	59,255,893
58 " " —Sleeping, Parlor and Observation.....	40,095,144	38,527,906
59 " " —Dining.....	6,370,343	6,616,625
" " —Unit Cars.....	688,038	440,280
60 " " —Other.....	56,255,188	56,055,979
61 " " —Total.....	163,252,471	160,896,683

CANADIAN NATIONAL RAILWAYS

STATISTICS OF RAIL-LINE OPERATION—Continued

Item No.	Year 1925	Year 1924
CAR MILES:—(Contd.)		
62 Mixed Train—Freight —Loaded.....	22,384,204	20,819,698
63 " " — " —Empty.....	9,114,914	8,355,861
64 " " —Caboose.....	1,508,834	1,506,061
66 " " —Passenger.....	5,351,726	5,219,812
67 " " —Sleeping, Parlor and Observation.....	35,140	78,588
68 " " —Dining.....	1,374	1,847
69 " " —Other Passenger Train.....	2,112,231	2,205,499
70 " " —Total.....	40,508,423	38,187,366
71 Special Train—Freight —Loaded.....	212,242	255,201
72 " " — " —Empty.....	3,156	4,385
73 " " —Caboose.....	20,422	21,476
75 " " —Passenger.....	61,875	51,105
76 " " —Sleeping, Parlor and Observation.....	24,367	25,853
77 " " —Dining.....	1,326	582
78 " " —Other Passenger Train.....	9,916	7,941
79 " " —Total.....	333,304	366,543
80 Total Transportation Service.....	1,410,120,038	1,330,877,326
81 Work Service.....	11,701,506	17,863,271
FREIGHT SERVICE:		
91 Tons —Revenue Freight.....	54,999,257	52,498,614
92 " —Non-Revenue Freight.....	9,490,037	9,698,732
93 " —Total.....	64,489,294	62,197,346
94 Ton Miles—Revenue Freight.....	18,026,790,000	16,932,406,010
95 " —Non-Revenue Freight.....	1,786,830,104	1,926,838,917
96 " —Total.....	19,813,620,104	18,859,244,927
PASSENGER SERVICE:		
97 Passengers carried—Revenue.....	21,675,234	22,707,880
98 Passenger Miles.....	1,379,977,856	1,372,335,263
REVENUES AND EXPENSES:		
101 Freight Revenue.....	\$180,482,543.54	\$171,045,297.89
102 Passenger Revenue.....	36,618,481.66	37,233,998.44
103 Passenger Service Train Revenue.....	56,489,914.91	57,098,834.48
104 Operating Revenues.....	244,971,202.61	235,588,182.55
105 Operating Expenses.....	212,706,787.82	218,343,931.07
106 Net Operating Revenues.....	32,264,414.79	17,244,251.48
AVERAGES PER MILE OF ROAD:		
111 Freight Train Miles.....	1,377	1,363
112 Passenger Train Miles.....	1,090	1,091
113 Mixed Train Miles.....	167	168
114 Special Train Miles.....	1	1
115 Transportation Service Train Miles.....	2,636	2,623
116 Work Train Miles.....	96	125
117 Locomotive Train Miles—Transportation.....	3,469	3,477
118 Freight Service Car Miles.....	56,494	53,160
119 Passenger Service Car Miles.....	7,788	7,705
120 Freight Revenue.....	\$8,227.50	\$7,822.44

CANADIAN NATIONAL RAILWAYS

STATISTICS OF RAIL-LINE OPERATION—Continued

Item No.	Year 1925	Year 1924
AVERAGES PER MILE OF ROAD:—(Contd.)		
121 Passenger Service Train Revenue.....	\$ 2,575.16	\$ 2,611.31
122 Operating Revenues.....	\$11,167.29	\$10,774.18
123 Operating Expenses.....	\$ 9,696.48	\$ 9,985.54
124 Net Operating Revenues.....	\$ 1,470.81	\$ 788.64
125 Ton Miles—Revenue Freight.....	818,150	774,372
126 " —All Freight.....	899,604	862,492
127 Passenger Miles—Revenue.....	62,908	62,761
AVERAGES PER TRAIN MILE:		
131 Loaded Freight Car-Miles—Freight Trains.....	25.65	24.75
132 " " " —Mixed ".....	6.10	5.67
133 Empty " " —Freight ".....	13.26	12.19
134 " " " —Mixed ".....	2.48	2.28
135 Ton-Miles—Revenue Freight.....	540.60	516.83
136 " —All Freight.....	594.42	575.64
137 Passenger Train Car-Miles —Passenger Trains.....	6.82	6.75
138 " " " —Mixed Trains.....	2.04	2.04
139 Revenue Passenger Miles.....	56.09	55.86
140 Freight Revenue.....	\$5.44	\$5.22
141 Passenger Service Train Revenue.....	\$2.30	\$2.32
142 Operating Revenues.....	\$4.24	\$4.11
143 Operating Expenses.....	\$3.68	\$3.81
144 Net Operating Revenues.....	\$.56	\$.30
AVERAGES PER LOCOMOTIVE MILE:		
151 Train Miles —Freight Trains.....	.96	.96
152 Car " — ".....	38.44	36.44
153 Train " —Passenger Trains.....	.97	.97
154 Car " — ".....	6.81	6.66
155 Train " —Mixed Trains.....	.99	.99
156 Car " — ".....	10.88	10.24
157 Train " —Special Train.....	.89	.92
158 Car " — ".....	12.45	14.54
AVERAGES PER LOADED FREIGHT CAR MILE:		
161 Ton-Miles—Revenue Freight.....	22.51	22.31
162 " —All Freight.....	24.75	24.85
163 Freight Revenue.....	\$0.22635	\$0.22542
AVERAGES PER CAR MILE—PASSENGER:		
171 Passenger Miles—Revenue.....	13.02	13.26
172 Passenger Revenue.....	\$0.34541	\$0.35967
MISCELLANEOUS AVERAGES:		
181 Miles Hauled—Revenue Freight.....	327.76	322.53
182 " " —Non-Revenue Freight.....	188.28	198.67
183 " " —All Freight.....	307.24	303.22
184 Miles carried—Revenue Passengers.....	63.67	60.43
185 Revenue per ton of Freight.....	\$ 3.28155	\$ 3.25809
186 " ton mile of Freight.....	\$.01001	\$.01010
187 " passenger.....	\$ 1.68941	\$ 1.63970
188 " passenger-mile.....	\$.02654	\$.02713
189 Operating Ratio.....	86.83%	92.68%

CANADIAN NATIONAL RAILWAYS

COMPARATIVE STATEMENT OF REVENUE TONNAGE BY COMMODITIES

	Year 1925	Year 1924	Increase Decrease
PRODUCTS OF AGRICULTURE:	Tons	Tons	Tons
Wheat.....	5,682,992	5,317,519	365,473
Corn.....	415,369	402,728	12,641
Oats.....	1,003,944	1,274,202	270,258
Barley.....	549,597	463,359	86,238
Rye.....	105,798	286,949	181,151
Flax (Seed).....	84,739	89,567	4,828
Other Grain.....	122,429	105,277	17,152
Flour.....	1,085,032	1,239,649	154,617
Other Mill Products.....	804,497	797,573	6,924
Hay and Straw.....	409,240	550,778	141,538
Cotton.....	62,463	47,100	15,363
Apples (fresh).....	88,344	88,502	158
Other Fresh Fruits.....	301,569	298,843	2,726
Potatoes.....	326,268	232,426	93,842
Other Fresh Vegetables.....	152,177	164,217	12,040
Other Products of Agriculture.....	430,351	410,599	19,752
Total.....	11,624,809	11,769,288	144,479
PRODUCTS OF ANIMALS:			
Horses and Mules.....	48,165	50,551	2,386
Cattle and Calves.....	430,474	464,925	34,451
Sheep and Goats.....	38,427	41,735	3,308
Hogs.....	232,106	205,720	26,386
Dressed Meats (Fresh).....	235,091	286,774	51,683
Dressed Meats (Cured or Salted).....	73,221	26,991	46,230
Other Packing House Products.....	134,149	163,038	28,889
Poultry.....	20,234	20,495	261
Eggs.....	57,279	55,342	1,937
Butter and Cheese.....	152,117	124,628	27,489
Wool.....	21,209	21,499	290
Hides and Leather.....	80,223	77,410	2,813
Other Products of Animals.....	48,419	44,653	3,766
Total.....	1,571,114	1,583,761	12,647
PRODUCTS OF MINES:			
Anthracite Coal.....	2,441,648	2,687,710	246,062
Bituminous Coal.....	8,625,152	8,090,539	534,613
Lignite Coal.....	86,120	119,180	33,060
Coke.....	714,592	413,290	301,302
Iron Ores.....	409,152	264,582	144,570
Other Ores and Concentrates.....	313,281	292,892	20,389
Bullion and Matte.....	52,699	38,532	14,167
Clay, Gravel, Sand and Crushed Stone.....	3,782,683	3,828,670	45,987
Slate, Stone, Granite (Dimension or Block).....	811,167	811,688	521
Crude Petroleum.....	122,525	234,685	112,160
Asphaltum.....	75,757	63,354	12,403
Salt.....	438,428	406,225	32,203
Other Products of Mines.....	224,324	175,175	49,149
Total.....	18,097,528	17,426,522	671,006
PRODUCTS OF FORESTS:			
Logs, Posts, Poles and Cordwood.....	2,002,485	2,009,773	7,288
Ties.....	131,862	146,084	14,222
Pulpwood.....	2,566,915	2,677,338	110,423
Sawed Lumber, Timber, Box Shooks, Staves & Headings.....	4,629,409	4,179,516	449,893
Other Products of Forests.....	184,472	141,995	42,477
Total.....	9,515,143	9,154,706	360,437
Carried Forward.....	40,808,594	39,934,277	874,317

CANADIAN NATIONAL RAILWAYS

COMPARATIVE STATEMENT OF REVENUE TONNAGE BY COMMODITIES—Continued

	Year 1925	Year 1924	Increase Decrease
	Tons	Tons	Tons
Brought Forward	40,808,594	39,934,277	874,317
MANUFACTURES AND MISCELLANEOUS:			
Refined Petroleum and its Products	1,322,561	1,129,523	193,038
Sugar, Syrup, Glucose and Molasses	443,818	422,198	21,620
Iron, Pig and Bloom	290,674	259,555	31,119
Rails and Fastenings	56,390	56,992	602
Bar and Sheet Iron, Structural Iron and Iron Pipe	781,203	557,086	224,117
Castings, Machinery and Boilers	311,446	268,766	42,680
Cement	1,086,999	1,070,043	16,956
Brick and Artificial Stone	481,342	416,343	64,999
Lime and Plaster	380,581	301,135	79,446
Sewer Pipe and Drain Tile	113,050	115,720	2,670
Agriculture Implements and Vehicles other than Autos	135,566	121,320	14,246
Automobiles and Auto Trucks	883,986	643,826	240,160
Household Goods and Second-hand Furniture	41,867	47,282	5,415
Furniture (new)	67,902	42,980	24,922
Liquor and Beverages	117,635	100,430	17,205
Fertilizer	161,851	136,956	24,895
Paper, Printed Matter and Books	1,007,718	922,729	84,989
Wood Pulp	1,094,085	852,597	241,488
Fish (fresh, frozen, smoked or salted)	69,228	69,704	476
Canned Meats	1,362	1,199	163
Canned Goods (all canned food products other than Meat)	167,470	154,619	12,851
Other Manufactures and Miscellaneous	3,124,396	2,974,308	150,088
Merchandise	2,049,533	1,899,026	150,507
Total	14,190,663	12,564,337	1,626,326
Grand Total	54,999,257	52,498,614	2,500,643

CANADIAN NATIONAL RAILWAYS

SCHEDULE OF COMPANIES COMPRISING THE CANADIAN NATIONAL RAILWAY SYSTEM

NAME OF ISSUING COMPANY	Capital Stock	Held by System	Held by Govern- ment and others
CANADIAN NATIONAL RAILWAY COMPANY.....	\$180,424,327.70	†\$14,796,589.00	†\$165,627,738.70
Bay City Terminal Railway Company.....	15,000.00	15,000.00	
Canada Atlantic Transit Company.....	219,000.00	219,000.00	
*Canada Atlantic Transit Company of U.S.....	250,000.00	250,000.00	
The Canadian Express Company.....	1,768,800.00	1,768,800.00	
The Champlain and St. Lawrence Railroad Company.....	50,000.00	50,000.00	
*Chicago, New York and Boston Refrigerator Company.....	1,129,400.00	1,129,400.00	
Detroit, Grand Haven and Milwaukee Railway Company.....	1,500,000.00	1,500,000.00	
Grand Rapids Terminal Railroad Company.....	50,000.00	50,000.00	
The Grand Trunk Junction Railway Company.....	500,000.00	500,000.00	
Grand Trunk Western Railway Company.....	6,000,000.00	6,000,000.00	
International Bridge Company.....	1,500,000.00	1,500,000.00	
The Lachine, Jacques Cartier and Maisonneuve Railway Company.....	1,200.00	1,200.00	
The Michigan Air Line Railway.....	300,000.00	300,000.00	
*Montreal and Southern Counties Railway Company.....	300,000.00	306,500.00	193,500.00
The Maganetawan River Railway Company.....	30,000.00	30,000.00	
*The Montreal Warehousing Company.....	236,000.00	221,100.00	14,900.00
New England Elevator Company.....	400,000.00	400,000.00	
*The Oshawa Railway Company.....	40,000.00	40,000.00	
The Ottawa Terminals Railway Company.....	250,000.00	250,000.00	
The Pembroke Southern Railway Company.....	107,800.00	90,500.00	17,300.00
Portland Elevator Company.....	50,000.00	50,000.00	
*Rail and River Coal Company.....	2,000,000.00	2,000,000.00	
St. Clair Tunnel Company.....	700,000.00	700,000.00	
*The Terminal Warehousing Company, Limited.....	1,000,000.00	1,000,000.00	
*The Thousand Islands Railway Company.....	60,000.00	60,000.00	
Toledo, Saginaw and Muskegon Railway Company.....	1,600,000.00	1,600,000.00	
The Toronto Belt Line Railway Company.....	50,000.00	26,000.00	24,000.00
The United States and Canada Rail Road Company.....	219,400.00	218,925.00	475.00
Vermont and Province Line Railroad Company.....	200,000.00	200,000.00	
*Prince Charles, Limited.....	10,000.00	10,000.00	
Canadian National Land Settlement Association.....			
The Pontiac, Oxford and Northern Railroad Company.....	1,000,000.00	1,000,000.00	
The Detroit and Huron Railway Company.....	148,000.00	148,000.00	
The Chicago and Kalamazoo Terminal Railroad Company.....	100,000.00	100,000.00	
Grand Trunk-Milwaukee Car Ferry Company.....	200,000.00	200,000.00	
Whipple Car Company.....	1,400,000.00	1,400,000.00	
Total Canadian National Railway-Grand Trunk Group.....	\$204,008,927.70	\$38,131,014.00	\$165,877,913.70
THE CANADIAN NORTHERN RAILWAY COMPANY.....	\$100,000,600.00		\$100,000,600.00
The Bay of Quinté Railway Company.....	1,395,000.00	\$1,395,000.00	
The Bessemer and Barry's Bay Railway Company.....	125,000.00	125,000.00	
The Canadian Northern Alberta Railway Company.....	3,000,000.00	3,000,000.00	
The Canadian Northern Railway Express Company, Limited.....	1,000,000.00	1,000,000.00	
Canadian Northern Manitoba Railway Company.....	250,000.00	250,000.00	
The Canadian Northern Ontario Railway Company.....	10,000,000.00	10,000,000.00	
Canadian Northern Pacific Railway Company.....	25,000,000.00	25,000,000.00	
**The Canadian Northern Quebec Railway Company.....	9,550,000.00	5,700,800.00	3,849,200.00
*Canadian National Realities, Limited.....	40,000.00	40,000.00	
The Canadian Northern Saskatchewan Railway Company.....	1,000,000.00	1,000,000.00	
Canadian Northern Steamships, Limited.....	2,000,000.00	2,000,000.00	
The Canadian Northern Coal and Ore Dock Company, Limited.....	500,000.00	500,000.00	
Canadian Northern Rolling Stock, Limited.....	50,000.00	50,000.00	
Canadian National Rolling Stock Limited.....	50,000.00	50,000.00	
*Canadian National Electric Railways.....	1,750,000.00	1,750,000.00	
Canadian National Express Company.....	1,000,000.00	1,000,000.00	
Canadian Northern System Terminals Limited.....	2,000,000.00	2,000,000.00	
*Canadian National Telegraph Company.....	500,000.00	500,000.00	
*Canadian National Transfer Company.....	500,000.00	500,000.00	
Canadian Northern Western Railway Company.....	2,000,000.00	2,000,000.00	
The Central Ontario Railway.....	3,331,000.00	3,329,000.00	2,000.00
Continental Realty & Holding Company Limited.....	90,000.00	90,000.00	
The Dalhousie Navigation Company, Limited.....	50,000.00	50,000.00	
Carried Forward.....	\$165,181,600.00	\$61,329,800.00	\$103,851,800.00

CANADIAN NATIONAL RAILWAYS

SCHEDULE OF COMPANIES COMPRISING THE CANADIAN NATIONAL RAILWAY SYSTEM—Continued

NAME OF ISSUING COMPANY	Capital Stock	Held by System	Held by Govern- ment and others
Brought Forward.....	\$165,181,600.00	\$61,329,800.00	\$103,851,800.00
Duluth, Winnipeg and Pacific Railroad Company.....	100,000.00	100,000.00	
Duluth, Winnipeg and Pacific Railway Company.....	6,000,000.00	6,000,000.00	
*Duluth and Virginia Realty Company.....	45,000.00	45,000.00	
Duluth, Rainy Lake and Winnipeg Railway Company.....	2,000,000.00	2,000,000.00	
*The Great North Western Telegraph Company of Canada.....	373,625.00	33,225.00	8,900.00
The Great North Western Telegraph Company of Canada (held in escrow)		331,500.00	
The Halifax and South Western Railway Company.....	1,000,000.00	1,000,000.00	
The Irondale, Bancroft and Ottawa Railway Company.....	53,500.00	53,000.00	500.00
The James Bay and Eastern Railway Company.....	1,250,000.00	1,250,000.00	
The Marmora Railway and Mining Company.....	128,600.00	128,600.00	
The Lake Superior Terminals Company Limited.....	500,000.00	500,000.00	
The Minnesota and Manitoba Railroad Company.....	400,000.00	400,000.00	
The Minnesota and Ontario Bridge Company.....	100,000.00	100,000.00	
Mount Royal Tunnel and Terminal Company, Limited.....	5,000,000.00	5,000,000.00	
*The Niagara, St. Catharines and Toronto Railway Company.....	925,000.00	924,900.00	100.00
*The Niagara, St. Catharines and Toronto Navigation Company Limited.	100,000.00	100,000.00	
The Quebec and Lake St. John Railway Company.....	4,508,300.00	4,019,100.00	489,200.00
The Qu'Appelle, Long Lake and Saskatchewan Railroad and Steamboat Company.....	201,000.00	201,000.00	
St. Boniface Western Land Company.....	250,000.00	250,000.00	
The St. Charles and Huron River Railway Company.....	10,000.00	10,000.00	
The Toronto, Niagara and Western Railway Company.....	125,000.00	125,000.00	
The Winnipeg Land Company Limited.....	100,000.00	100,000.00	
Total Canadian Northern Railway Group.....	\$188,351,625.00	\$84,001,125.00	\$104,350,500.00
THE GRAND TRUNK PACIFIC RAILWAY COMPANY.....	\$24,942,000.00	\$24,942,000.00	
The Grand Trunk Pacific Branch Lines Company.....	1,002,000.00	1,002,000.00	
The Grand Trunk Pacific Saskatchewan Railway Company.....	200,000.00	200,000.00	
*The Grand Trunk Pacific Development Company, Limited.....	3,000,000.00	3,000,000.00	
*Canadian National Steamship Company, Limited.....	15,000.00	15,000.00	
*Grand Trunk Pacific Alaska Steamship Company.....	50,000.00	50,000.00	
*Grand Trunk Pacific Terminal Elevator Company, (Limited).....	501,000.00	501,000.00	
*The Grand Trunk Pacific Telegraph Company.....	100,000.00	100,000.00	
*Grand Trunk Pacific Dock Company, of Seattle.....	150,000.00	150,000.00	
Total Grand Trunk Pacific Railway Group.....	\$29,960,000.00	\$29,960,000.00	
SUMMARY			
Canadian National Railway-Grand Trunk Group.....	\$204,008,927.70	\$38,131,014.00	\$165,877,913.70
Canadian Northern Railway Group.....	188,351,625.00	84,001,125.00	104,350,500.00
Grand Trunk Pacific Railway Group.....	29,960,000.00	29,960,000.00	
	\$422,320,552.70	\$152,092,139.00	\$270,228,413.70 [Ⓐ]
Canadian National Railways (France).....	fr.30,000,000.00	fr.30,000,000.00	

The accounts of Companies indicated () are taken up in the System Income Account as "Separately Operated Properties."

**\$5,144,600 C.N.Q. Stock is held by the Northern Consolidated Holding Company. The Canadian Northern Railway owns 44,467 shares in that Co. out of a total issue of 61,815. For the purpose of this statement the Holding Company is ignored and the proportion of the C.N.Q. Stock thus owned by the Canadian Northern Railway is shown as held by the latter Company.

†One certificate for \$180,424,327.70 of the Company's Capital Stock is issued in the name of His Majesty as representing \$165,627,738.70 of Grand Trunk Stock previously held by the public and \$14,796,589 previously held in that Company's treasury.

[Ⓐ]\$265,628,338.70 of this amount is owned by the Dominion of Canada.

CANADIAN NATIONAL RAILWAYS

A/C 706—INVESTMENTS IN AFFILIATED COMPANIES

COMPANY	Amount Outstanding	Amount Owned by Can. Nat. System	Book Value
"A"—STOCKS:			
Atlantic and St. Lawrence Rail Road Company.....	\$5,484,000.00	\$224.33	
The Belt Railway Company of Chicago.....	3,120,000.00	240,000.00	
Central Vermont Railway Company.....	3,000,000.00	2,191,100.00	
The Chicago, Detroit and Canada Grand Trunk Junction Railroad Company.....	1,095,000.00	522,500.00	
Chicago & Western Indiana Railroad Company.....	5,000,000.00	1,000,000.00	
The Detroit and Toledo Shore Line Railroad Company.....	1,428,000.00	714,000.00	
The Ontario Car Ferry Company, (Limited).....	500,000.00	250,000.00	
The Toronto Terminals Railway Company.....	50,000.00	25,000.00	
The Toledo Terminal Railroad Company.....	4,000,000.00	387,200.00	
Detroit Terminal Railroad Company.....	2,000,000.00	1,000,000.00	
Canadian Government Merchant Marine, Limited.....	490,900.00	900.00	
	\$26,167,900.00	\$6,330,924.33	\$2,037,129.30
"B"—BONDS:			
Atlantic and St. Lawrence Rail Road Company.....	\$3,000,000.00	\$3,000,000.00	
Central Vermont Railway Company 5% Gold Bonds.....	12,838,300.00	4,179,300.00	
The Chicago, Detroit and Canada Grand Trunk Junction Railroad Company.....	1,786,141.46	1,786,141.46	
Chicago & Western Indiana Railroad Consolidated Bonds.....	48,734,666.67	2,187,000.00	
The Detroit and Toledo Shore Line R.R. Co. First Mortgage Bonds...	3,000,000.00	587,000.00	
The Toledo Terminal Railroad Company.....	5,241,000.00	137,000.00	
The Toronto Terminals Railway Co. 5% First Mortgage Bonds.....	7,355,000.00	3,677,500.00	
	\$81,955,108.13	\$15,553,941.46	\$15,526,840.45
"C"—NOTES:			
Central Vermont Railway Company.....			\$8,041,905.52
"D"—ADVANCES:			
Central Vermont Railway Company.....			\$10,944,786.98
Chicago & Western Indiana Railroad Company.....			591,991.70
			\$11,536,778.68
Total Balance Sheet A/c No. 706.....			\$37,142,653.95

CANADIAN NATIONAL RAILWAYS

OPERATED MILEAGE DECEMBER 31st, 1925

Territory	Mileage owned by Constituent Companies				Mileage of Lines under Lease or Contract		Mileage of Trackage Rights		Total Road Mileage				Spurs, Sidings and Yard Tracks		Inactive Mileage			
	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	Miles	Miles	1st Main Track	2nd Main Track	Spurs, Sidings & Yard Tracks	
ATLANTIC REGION																		
Halifax Division.....	511.90	20.89							512.92	20.89			151.48		16.79		0.73	
New Glasgow Division.....	354.56	1.93			66.32		1.02		420.88	1.93			124.67				1.30	
Island Division.....	276.26								276.26				36.79					
Moncton Division.....	389.94	26.82							389.94	26.82			187.93					
Campbellton Division.....	475.08								475.08				147.80					
Edmundston Division.....	563.77				158.46		14.62		736.85				109.85					
Total Atlantic Region.....	2571.51	49.64			224.78		15.64		2811.93	49.64			758.52		16.79		2.03	
CENTRAL REGION																		
QUEBEC DISTRICT:																		
Levis Division.....	399.81	22.97			3.28				403.09	22.97			161.67		13.02		2.68	
Saguenay Division.....	440.01				5.48				445.49				136.50		32.49		4.30	
Cochrane Division.....	710.71					5.82			710.71				146.49					
Montreal Division.....	428.87	2.78			6.73				435.60	8.60			145.83		5.66		1.16	
MONTREAL DISTRICT:																		
Portland Division (excluding New England Lines).....	245.25	28.61							245.25	28.61			64.36					
Portland Div., New Eng. Lines—Atlantic & St. Lawrence R.R.....					165.35	0.99			165.35	0.99			92.04					
Lewiston & Auburn R.R.....					5.43				5.43				1.76					
Norway Branch Railroad.....					1.43				1.43				0.62					
Montreal Terminals.....	13.60	13.60							13.60	13.60			174.46				0.48	
St. Lawrence Division.....	407.44	140.22			78.09		*9.74		495.27	140.22			135.81		11.86			
Belleville Division.....	648.98	201.67							648.98	201.67			210.38					
NORTHERN ONTARIO DISTRICT:																		
Ottawa Division.....	765.92	2.78	0.28		21.09		18.60		805.61	2.78	0.28		178.68					
Capreol Division.....	743.65	0.15			5.95	5.95	0.06		749.66	6.10			199.60		0.60			
Hornepayne Division.....	590.46								590.46				91.23					
Carried Forward.....	5394.70	412.78	0.28		292.83	12.76	28.40		5715.93	425.54	0.28		1739.43		63.63	0.60	8.62	

* See note at end of Central Region Mileages.

* See note at end of Central Region Mileages.

CANADIAN NATIONAL RAILWAYS

OPERATED MILEAGE DECEMBER 31st, 1925—Continued

Territory	Mileage owned by Constituent Companies				Mileage of Lines under Lease or Contract		Mileage of Trackage Rights		Total Road Mileage				Spurs, Sidings and Yard Tracks		Inactive Mileage		
	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	Miles	Yard Tracks	1st Main Track	2nd Main Track	Spurs, Sidings & Yard Tracks
CENTRAL REGION:—(Contd.)																	
Brought Forward.....	5394.70	412.78	0.28		292.83	12.76	28.40		5715.93	425.54	0.28		1739.43		63.63	0.60	8.62
SOUTH-WESTERN ONTARIO DISTRICT:																	
Toronto Terminals Division.....	30.52	20.02	8.85	7.42					30.52	20.02	8.85	7.42	196.99				
Allandale Division.....	436.82	1.30							436.82	1.30			157.81				
Stratford Division.....	644.01	1.25			159.15	8.25			803.16	9.50			205.62				
London Division.....	410.88	208.26	3.36						410.88	208.26	3.36		238.49				
St. Thomas Division (excluding International Bridge Company's & Niagara Falls Suspension Bridge Company's Tracks).....	243.60	89.24							247.49	93.11			140.26				
St. Thomas Division, International Bridge Company.....	0.97	0.55							0.97	0.55			5.95				
St. Thomas Division, Niagara Falls Suspension Bridge Company.....					0.25	0.25			0.25	0.25							
Total Central Region.....	7161.50	733.40	12.49	7.42	452.23	21.26	*32.29	3.87	7646.02	758.53	12.49	7.42	2684.55		63.63	0.60	8.62
* Includes the following trackage rights over Central Vermont Ry., 6.90 miles Swanton to Alburgh Jct., and 2.53 miles St. Johns to S.S. & C. Jct.																	
GRAND TRUNK WESTERN LINES																	
Grand Trunk Western Railway.....	331.09	321.67	10.56				4.85	4.85	335.94	326.52	10.56		259.42				
Chicago & Kalamazoo Terminal R.R.....	0.89						1.03		1.92				13.37				
Chicago, Kalamazoo & Saginaw Ry.....					9.51				9.51				0.49				
Detroit, Grand Haven & Milwaukee Railway.....	188.32	15.72							188.32	15.72			165.60				
Grand Rapids Terminal R.R.....	95.95				1.51				1.51				3.35				
Toledo, Saginaw & Muskegon Ry.....	99.89						20.33		116.28				18.06				
Pontiac, Oxford & Northern R.R.....	18.58								99.89				21.27				
Detroit & Huron Railway.....									18.58				3.89				
Chicago, Detroit & Canadian Grand Trunk Junction R.R.....	105.92				59.55	11.19			59.55	11.19			99.00				
Michigan Air Line Railway.....									105.92				18.23				
Cincinnati, Saginaw & Mackinaw R.R.....					53.10				53.10				45.28				
Bay City Terminal Railway.....	1.17								1.17				2.53				
Grand Trunk Milwaukee Car Ferry (85.9 miles).....													1.50				
Total Grand Trunk Western Lines.....	841.81	337.39	10.56		123.67	11.19	26.21	4.85	991.69	353.43	10.56		651.99				

CANADIAN NATIONAL RAILWAYS

OPERATED MILEAGE DECEMBER 31st, 1925—Continued

Territory	Mileage owned by Constituent Companies				Mileage of Lines under Lease or Contract		Mileage of Trackage Rights		Total Road Mileage				Spurs, Sidings and Yard Tracks	Inactive Mileage	
	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track		1st Main Track	2nd Main Track
WESTERN REGION	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles
	MANITOBA DISTRICT:														
	17.12	10.11			43.88		2.08	1.97	19.20	12.08			143.08		
	951.93	30.29							995.81	30.29			233.57	31.31	2.59
	169.00						7.38		176.38				54.11		
	31.72	11.23			13.88	3.49			45.60	14.72			164.14		
	879.15				242.10				1121.25				186.28		
	554.40				94.04				648.44				82.02		
	904.24								904.24				146.99	118.00	15.90
SASKATCHEWAN DISTRICT:															
	618.25								618.25				75.91		
	909.26								909.26				182.90		
	869.43						1.25		870.68				155.47		
	885.06								885.06				181.10		
ALBERTA DISTRICT:															
	811.04	19.91					4.30		815.34	19.91			177.27		
	828.36	4.28							828.36	4.28			205.17		
	420.64				36.65				457.29				135.21		
BRITISH COLUMBIA DISTRICT:															
	676.73								676.73				128.60		0.15
	624.71						38.97	17.96	663.68	17.96			122.93	11.65	
	106.56								106.56				19.22		
Total Western Region	10257.60	75.82			430.55	3.49	53.98	19.93	10742.13	99.24			2393.97	160.96	18.64

CANADIAN NATIONAL RAILWAYS

OPERATED MILEAGE DECEMBER 31st, 1925—Continued SUMMARY

Territory	Mileage owned by Constituent Companies				Mileage of Lines under Lease or Contract		Mileage of Trackage Rights		Total Road Mileage				Spurs, Sidings and Yard Tracks		Inactive Mileage		
	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	Miles	Miles	1st Main Track	2nd Main Track	Spurs, Sidings & Yard Tracks
Atlantic Region.....	2571.51	49.64			224.78		15.64		2811.93	49.64			758.52		16.79		2.03
Central Region.....	7161.50	733.40	12.49	7.42	452.23	21.26	32.29	3.87	7646.02	758.53	12.49	7.42	2684.55		63.63	0.60	8.62
Grand Trunk Western Lines.....	841.81	337.39	10.56		123.67	11.19	26.21	4.85	991.69	353.43	10.56		651.99		160.96		18.64
Western Region.....	10257.60	75.82			430.55	3.49	53.98	19.93	10742.13	99.24			2393.97				
Total Mileage Steam Operated Lines referred to as "System Mileage" ..	20832.42	1196.25	23.05	7.42	1231.23	35.94	128.12	28.65	22191.77	1260.84	23.05	7.42	6489.03		241.38	0.60	29.29

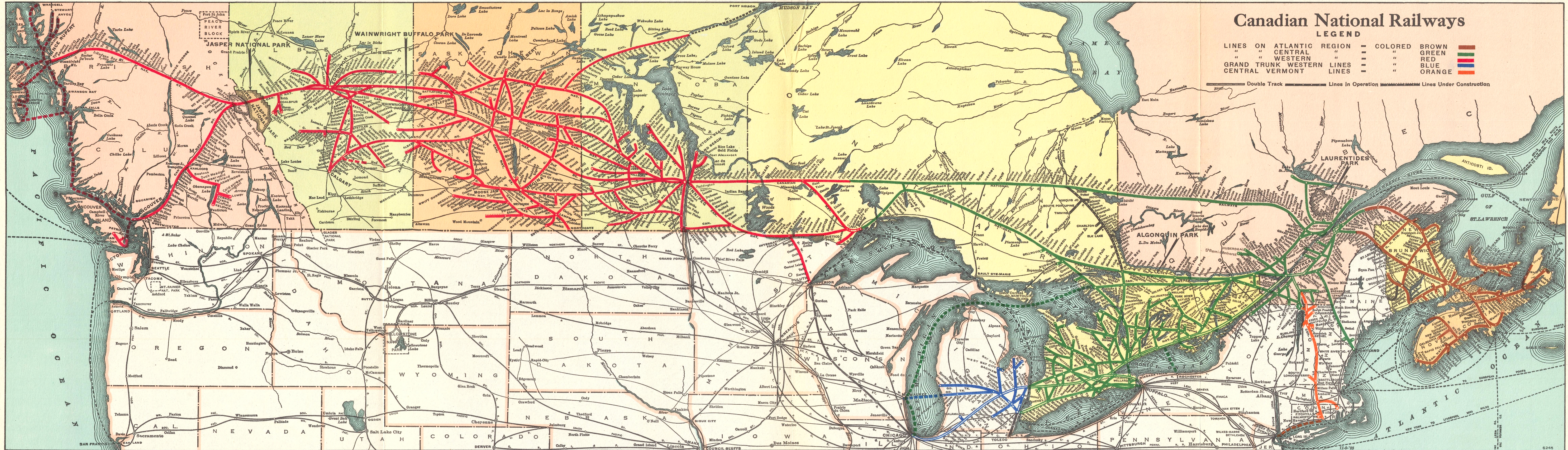
SUMMARY OF FIRST MAIN TRACK BY REGIONS AND DISTRICTS

ATLANTIC REGION.....	2811.93
CENTRAL REGION:	
Quebec District.....	1994.89
Montreal District.....	1575.31
Northern Ontario District.....	2145.73
South Western Ontario District.....	1930.09
GRAND TRUNK WESTERN LINES.....	991.69
WESTERN REGION:	
Manitoba District.....	3910.92
Saskatchewan District.....	3283.25
Alberta District.....	2100.99
British Columbia District.....	1446.97
Total First Main Track Mileage Steam Operated Lines referred to as "System Mileage" ..	22191.77

CANADIAN NATIONAL RAILWAYS

MILEAGE OF LINES CONTROLLED BY CANADIAN NATIONAL RAILWAYS NOT INCLUDED IN OPERATING FIGURES

	Miles
STEAM OPERATED LINES:	
Central Vermont Railway	493.02
Thousand Islands Railway	6.00
ELECTRIC LINES:	
Canadian National Electric Railways (Toronto Suburban Division)	56.86
Niagara, St. Catharines & Toronto Railway	62.99
Montreal & Southern Counties Railway	57.29
Oshawa Railway	9.98



Canadian National Railways

LEGEND

Lines on Atlantic Region	Colored Brown
" " Central	Green
" " Western	Red
Grand Trunk Western Lines	Blue
Central Vermont	Orange
Double Track	Lines In Operation
	Lines Under Construction

